

2017 No. 0000

INCOME TAX

**The Income Tax (Pay As You Earn) (Amendment No. 2)
Regulations 2017**

Made - - - - ***
Laid before the House of Commons ***
Coming into force - - 6th April 2018

The Commissioners for Her Majesty's Revenue and Customs make the following Regulations, in exercise of the powers conferred by section 684(1) and (2) of the Income Tax (Earnings and Pensions) Act 2003(a) and now exercisable by them(b).

Citation and commencement

1. These Regulations may be cited as the Income Tax (Pay As You Earn) (Amendment No. 2) Regulations 2017 and come into force on 6th April 2018.

Amendment of the Income Tax (Pay As You Earn) Regulations 2003

2. The Income Tax (Pay As You Earn) Regulations 2003 are amended as follows.

3. In paragraph 22B(c) of Schedule A1(d) (real time returns) —

(a) renumber the paragraph as sub-paragraph (1), and

(b) after sub-paragraph (1) insert—

“(2) If the benefit is a car—

(a) in the first return in which the benefit of the car is included as a relevant payment, the following information in relation to that car —

(i) the make and model of the car,

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- (a) 2003 c. 1. Section 684 of the Income Tax (Earnings and Pensions) Act 2003 (“ITEPA”) has been relevantly amended by section 145 of the Finance Act 2003 (c. 14), paragraphs 102(1), (2) and 117 of Schedule 4 to the Commissioners for Revenue and Customs Act 2005 (c. 11) (“CRCA”), section 94(3) of the Finance Act 2006 (c. 25), paragraphs 2 to 7 of Schedule 58 to the Finance Act 2009 (c. 10), section 85(2) of the Finance Act 2011 (c. 11), section 225 of, and paragraph 5(4) of Schedule 1 to, the Finance Act (c. 14), section 17(2) of the Finance Act 2015 (c. 11), section 15 of the Finance Act 2016 (c. 24) and S.I. 2014/992.
- (b) The powers of the Board of Inland Revenue under section 684 of ITEPA were transferred to the Commissioners for Revenue and Customs by paragraph 102(2) of Schedule 4 to CRCA. Section 50(1) of that Act provides that, in so far as appropriate, in consequence of section 5 a reference in an enactment, instrument or other document to the Commissioners of Inland Revenue (however expressed) shall be taken as a reference to the Commissioners for Her Majesty's Revenue and Customs.
- (c) Paragraph 22B was inserted by the Income Tax (Pay As You Earn) (Amendment No 4) Regulations, S.I. 2015/1927.
- (d) Schedule A1 was inserted by the Income Tax (Pay As You Earn) (Amendment) Regulations, S.I. 2012/822 with effect from 6th April 2012.

- (ii) if the car is a car with a CO2 emission figure within section 134(1) of ITEPA 2003, the car's CO2 emission figure determined by sections 135, 136, 137 or 138 ITEPA 2003, as the case may be,
- (iii) the type of fuel or power the car uses,
- (iv) the calculated price of the car,
- (v) the cash equivalent of the car or amount foregone in respect of the car, determined under regulation 61E and sections 121 and 121A of ITEPA as the case may be,
- (vi) the date on which the car was first made available,
- (vii) the cash equivalent or the amount foregone in respect of any fuel provided for the car, determined under regulation 61F and sections 149A and 150 of ITEPA as the case may be, and
- (viii) the date on which fuel has been provided for the car;
- (b) if the car ceases to be available, in the next return following the cessation, the date the car became unavailable;
- (c) if fuel has been provided for the car and ceases to be provided, in the next return following the cessation, the date the fuel ceased to be provided; and
- (d) where an employer becomes aware of an inaccuracy in a return submitted under sub-paragraphs (a) to (c) above, the employer must provide the correct information in the next return for that tax year.

(3) In this paragraph—

“amount foregone” has the meaning given in section 69B(a) of ITEPA;

“available” is to be read in accordance with section 116(1) of ITEPA (meaning of when a car or van is available to an employee);

“calculated price of the car” and “cash equivalent” are to be read in accordance with section 121 of ITEPA (method of calculating the cash equivalent of the benefit of a car).”;

“unavailable” is to be read in accordance with section 143(2) of ITEPA (deduction for periods when car unavailable).”.

	<i>Name</i>
	<i>Name</i>
Date	Two of the Commissioners of Her Majesty's Revenue and Customs

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Income Tax (Pay As You Earn) Regulations 2003**(b)** (S.I. 2003/2682) (“the PAYE regulations”) so employers can report car data information to Her Majesty's Revenue and Customs (“HMRC”) through PAYE Real Time Information Returns (“RTI”) in respect of cars provided to employees as benefits in kind.

These Regulations amend paragraph 22B of Schedule A1 to the PAYE Regulations. New sub-paragraphs (2) and (3) are inserted which introduces a mandatory requirement that employees provide the data as specified by that paragraph.

(a) Section 69B was inserted into ITEPA by Schedule 2 to the Finance Act 2017 (c. 10).
 (b) S.I. 2003/2686.

New sub-paragraphs 22B(2) and 22B(3) -specify information that must be provided by employers from 6th April 2018 both in respect of any cars made available on that date and for cars provided for the first time after that date;

- new sub-paragraph 22B(2)(b) requires employers to report when a car provided as a benefit in kind to an employee becomes unavailable .in the next return following the date that the provision of car in question ceased;
- new sub-paragraph 22B(2)(c) requires employers to report the date on which any fuel ceases to be provided in the next return following the date that the provision of fuel in question ceased;
- new sub-paragraph 22B(2)(d) requires employers to correct any inaccuracies discovered by them in the next return for the tax year in question;
- new sub-paragraph 22B(3) sets out definitions to be used in conjunction with Schedule A1 new paragraph 22B(2).

A Tax Information and Impact Note covering this instrument will be published on the HMRC website at <http://www.hmrc.gov.uk/thelibrary/tiins.htm>.

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