

2014 No. 0000

INCOME TAX

**The Income Tax (Pay As You Earn) (Amendment No. X)
Regulations 2014**

<i>Made</i>	- - - -	****2014
<i>Laid before the House of Commons</i>		****2014
<i>Coming into force</i>	- -	****2014

The Commissioners for Her Majesty’s Revenue and Customs make the following Regulations in exercise of the powers conferred by section 133 of the Finance Act 1999(a), section 136 of the Finance Act 2002(b) and section 684(1) and (2) of the Income Tax (Earnings and Pensions) Act 2003 (c), and now exercisable by them(d):

Citation and commencement

1. These Regulations may be cited as the Income Tax (Pay As You Earn) (Amendment No. X) Regulations 2014 and come into force on XXXX.

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

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

(2) In regulation 2(1) (interpretation)(f), in the definition of “notice”, for sub-paragraph (b)” substitute—

“(b) for the purpose of regulation 17 (notice to employee of code) and regulation 19 (amendment of code), notice in writing, by an approved method of electronic communications or by telephone;”.

(3) In regulation 17(2) (notice to employee of code)—

- (a) omit the “or” after sub-paragraph (a); and
- (b) for sub-paragraph (b) substitute—

(a) 1999 c. 16.
(b) 2002 c. 23.
(c) 2003 c. 1. Section 684 was amended, so far as relevant, by paragraph 117 of Schedule 4 to the Commissioners for Revenue and Customs Act 2005 (c. 11) (“CRCA”). There are other amendments but none is relevant to these Regulations
(d) Paragraph 102 of Schedule 4 to CRCA amended section 684 of ITEPA so that the Commissioners for Her Majesty’s Revenue and Customs have the power to make the Regulations. The functions of the Commissioners of Inland Revenue under section 113(1) of the Taxes Management Act 1970, section 133 of the Finance Act 1999 and section 136 of the Finance Act 2002 were transferred to the Commissioners for Her Majesty’s Revenue and Customs by section 5(1) of CRCA. Section 50(1) of CRCA provides that, in so far as is appropriate in consequence of section 5, a reference, howsoever expressed, to the Commissioners of Inland Revenue is to be taken as a reference to the Commissioners for Her Majesty’s Revenue and Customs.
(e) S.I. 2003/2682; relevant amending instrument is S.I. 2011/729.
(f) The definition of ‘notice’ was substituted by regulations 2 and 3 of the Income Tax (Pay As You Earn) (Amendment) Regulations 2003, S.I. 2011/729.

- “(b) the change in the code is solely because of an alteration or proposed alteration—
 - (i) in the rates of any of the personal reliefs allowable under Chapters 2 (personal allowance etc.) and 3 (tax reductions etc.) of Part 3 of the Income Tax Act 2007(a); or
 - (ii) in the tax tables;
- (c) the employee’s PAYE income is not chargeable to tax; or
- (d) the employee does not have a liability to tax in respect of his PAYE income(b).”.

(4) In regulation 19 (amendment of code)(c)—

- (a) in paragraph (3) for “by the date” substitute “no later than 30 days after the date”;
- (b) for paragraph (4) substitute—

“(4) But notice need not be given where the change in the code is because—

- (a) of an alteration or proposed alteration in the rates of any of the personal reliefs allowable under Chapters 2 (personal allowance etc.) and 3 (tax reductions etc.) of Part 3 of the Income Tax Act 2007(d);
- (b) of an alteration or proposed alteration in the tax tables;
- (c) an employee’s PAYE income is not chargeable to tax; or
- (d) the employee does not have a liability to tax in respect of his PAYE income.”.

	<i>Name</i>
	<i>Name</i>
Date	Two of the Commissioners for 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 (“the 2003 Regulations”) (S.I. 2003/2682) which .make provision for the assessment, charge, collection and recovery of income tax in respect of pay as you earn income.

Regulation 2(2) amends the definition of “notice” in regulation 2(1) of the 2003 Regulations to include a notice given by way of an approved method of electronic communications (which term is defined in regulation 189 of the 2003 Regulations).

Regulation 2(3) amends regulation 17(2) of the 2003 Regulations which sets out the circumstances in which Her Majesty’s Revenue and Customs (“HMRC”) do not need to issue a notice to the employee.

Regulation 2(4) amends regulation 19 of the 2003 Regulations so that where HMRC amend a tax code, notice of the amended code must be given to the employee no later than 30 days after the date on which notice of the amended code was issued to the employer. Regulation 2(4) also amends regulation 19(4) to set out the circumstances in which notice of an amended code need not be given to the employee.

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>.

(a) 2007 c 3. Amendments to Chapters 2 and 3 of Part 3 have been made but none is relevant.
 (b) The definition of “PAYE income” is given in regulation 2(1) of the Income Tax (Pay As You Earn) Regulations 2003.
 (c) There is no relevant amendment.
 (d) 2007 c. 3.