STATUTORY INSTRUMENTS

1966 No. 1373

INCOME TAX

The Income Tax (Employments) (No. 2) Regulations 1966

Made - - - -	*2nd November* 1966
Laid before the House of Commons - - -	*9th November* 1966
Coming into Operation	*10th November* 1966

The Commissioners of Inland Revenue, in exercise of the powers conferred upon them by Section 157 of the Income Tax Act 1952(a), hereby make the following Regulations:—

1. These Regulations may be cited as the Income Tax (Employments) (No. 2) Regulations 1966 and shall come into operation on 10th November 1966. Regulations 3, 4, 5, 6, 7, 8, 9 and 10 shall apply in relation to the year 1967-68 and every subsequent year and Regulation 11 in relation to the year 1966-67 and every subsequent year.

2. In these Regulations the expression "the principal Regulations" means the Income Tax (Employments) Regulations 1965(b). Other expressions shall have the same meaning as in the principal Regulations.

3. Paragraph (3) of Regulation 16 of the principal Regulations shall have effect as if for the words "the card prescribed for that purpose" there were substituted the words "a deduction card which the employer shall prepare for that purpose".

4. Paragraph (4) of Regulation 17 of the principal Regulations shall have effect as if for the words "the prescribed card" there were substituted the words "a deduction card which the employer shall prepare for that purpose".

5. Paragraph (1) of Regulation 18 of the principal Regulations shall have effect as if for the words "under paragraph (3) of Regulation 17 or to whom the provisions of paragraph (2) of Regulation 19 apply" there were substituted the words "under paragraphs (3) or (4) of Regulation 17 or paragraph (2) of Regulation 19".

6. Paragraph (1) of Regulation 19 of the principal Regulations shall have effect as if for the words "the appropriate deduction card" there were substituted the words "an appropriate deduction card".

7. Regulation 19 of the principal Regulations shall have effect as if for paragraph (2) thereof there were substituted the following paragraph:—

"(2) If the said payment is the first payment of emoluments made by the employer to the employee during the year and is equivalent to emoluments at a rate of £5 5s. 0d. or more a week, the employer on making it shall also deduct tax and keep records on a deduction card which he shall prepare for the purpose as if the payment was one to which Regulation 16 applied, with the exception that the amounts of the free emoluments and taxable emoluments shall not be recorded on the deduction card, and shall do likewise on making any subsequent payment of emoluments to the employee until a deduction card in respect of the employee is issued to him by the Inspector.

The appropriate code for the purposes of deduction of tax under this paragraph shall be the code prescribed by the Commissioners of Inland Revenue."

(a) 15 & 16 Geo. 6 & 1 Eliz. 2. c. 10. (b) S.I. 1965/516 (1965 I, p. 1321).

8. Paragraph (3) of Regulation 19 of the principal Regulations shall have effect as if for the words "issued in respect of him by the Inspector" there were substituted the words "issued in respect of him to the employer by the Inspector".

9. Paragraph (6) of Regulation 19 of the principal Regulations shall have effect as if for the words "the appropriate deduction card" there were substituted the words "an appropriate deduction card".

10. Regulation 29 of the principal Regulations shall have effect as if for paragraph (2) thereof there were substituted the following paragraph:—

"(2) The said returns shall be accompanied by a statement and declaration in the form approved or prescribed by the Commissioners of Inland Revenue containing a list of all deduction cards issued by the Inspector to the employer or prepared by the employer under the provisions of paragraph (3) of Regulation 17 in respect of that year, and of the deduction cards prepared by him under the provisions of paragraph (2) of Regulation 19 or paragraph (3) of Regulation 16 or paragraph (4) of Regulation 17 in respect of employees for whom a deduction card was not subsequently issued to the employer by the Inspector, together with a certificate showing the total net tax deducted or the total net tax repaid in the case of each employee and the total net tax deducted or repaid by him in respect of all his employees during that year."

11. Regulation 25 of the principal Regulations shall have effect as if for paragraphs (1) and (3) thereof there were substituted the following paragraphs:—

"(1) After the end of the year the employer shall give the employee a certificate in a form prescribed or authorised by the Commissioners of Inland Revenue showing—

(*a*) the total amount of the emoluments paid by the employer to the employee during the year, being emoluments which the employer was required to take into account for the purposes of deducting or repaying tax;

(*b*) the total net tax deducted from the emoluments;

(*c*) the appropriate code;

(*d*) the employee's National Insurance number;

(*e*) the name and address of the employer; and

(*f*) in the case of a form not prescribed by the Commissioners of Inland Revenue, that it has been authorised by them in substitution therefor."

"(3) A certificate shall be given under this Regulation to every employee who is in the employer's employment on the last day of the year and in respect of whom a deduction card was issued by the Inspector or prepared by the employer."

By Order of the Commissioners of Inland Revenue.

J. A. Johnstone,
Secretary.

2nd November 1966.

EXPLANATORY NOTE

(This Note is not part of the Regulations.)

Regulations 3 to 10 require an employer to prepare and use a deduction card in place of an emergency card when he is required to deduct tax from emoluments paid to an employee for whom he has not been given a code.

Regulation 11 provides for the issue by employers to all employees in the P.A.Y.E. field of certificates of emoluments and tax paid containing the information required to calculate the earnings-related supplements to short-term benefits which will be payable under the National Insurance Act 1966 and the National Insurance (No. 2) Act (Northern Ireland) 1966.