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STATUTORY INSTRUMENTS

2000 No. 1151

INCOME TAX

The Income Tax (Sub-contractors in the Construction Industry) (Amendment) Regulations 2000

Made - - - -	*25th April 2000*
Laid before the House of Commons	*26th April 2000*
Coming into force	*19th May 2000*

The Commissioners of Inland Revenue, in exercise of the powers conferred upon them by section 566(1) of the Income and Corporation Taxes Act 1988**(a)**, and of all other powers enabling them in that behalf, hereby make the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Income Tax (Sub-contractors in the Construction Industry) (Amendment) Regulations 2000 and shall come into force on 19th May 2000.

Amendment of the Income Tax (Sub-contractors in the Construction Industry) Regulations 1993

2. For paragraph 2 of regulation 9 of the Income Tax (Sub-contractors in the Construction Industry) Regulations 1993**(b)** substitute—

"(2) The condition is that, for income tax months falling within the current year, the average monthly amount found by the formula—
S + **P** + **N** + **L** − **T**
will be less than £1,500.

Here—

S is the amount to be paid to the collector under regulation 8;

P is the amount which would be payable to the collector under regulation 40 of the Income Tax (Employments) Regulations 1993**(c)** if any adjustment to that amount under regulation 7(1) of the Tax Credits (Payments by Employers) Regulations 1999**(d)** were disregarded;

N is the amount which would be payable to the collector under the Social Security Contributions and Benefits Act 1992**(e)** and the Social Security (Contributions)

(a) 1988 c. 1. There are amendments to section 566 which are not relevant for the purposes of these Regulations.
(b) S.I. 1993/743: the relevant amending instrument is S.I. 1999/825.
(c) S.I. 1993/744: the relevant amending instrument is S.I. 1993/2276.
(d) S.I. 1999/3219.
(e) 1992 c. 4.

Regulations 1979**(a)**, or in Northern Ireland under the Social Security Contributions and Benefits (Northern Ireland) Act 1992**(b)** and the Social Security (Contributions) Regulations (Northern Ireland) 1979**(c)**, if any adjustment to that amount under regulation 7(3) of the Tax Credits (Payments by Employers) Regulations 1999 were disregarded;

L is the amount which would be payable to the collector under regulation 39(1) of either the Education (Student Loans) Regulations 2000**(d)** or the Education (Student Loans) (Repayment) Regulations (Northern Ireland) 2000**(e)** if the reduction of that amount which is referred to in paragraph (3) of that regulation and in regulation 7(2) of the Tax Credits (Payments by Employers) Regulations 1999 were disregarded; and

T is the amount which the employer is required to pay by way of tax credits in accordance with regulation 6(2) of the Tax Credits (Payment by Employers) Regulations 1999.".

Tim Flesher
Ann Chant

25th April 2000 — Two of the Commissioners of Inland Revenue

(a) S.I. 1979/591.
(b) 1992 c. 7.
(c) S.R. (N.I.) 1979/186.
(d) S.I. 2000/944.
(e) S.R. 2000 No. 121.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations, which are made under section 566 of the Income and Corporation Taxes Act 1988 amend regulation 9 of the Income Tax (Sub-contractors in the Construction Industry) Regulations 1993 (S.I. 1993/743) ("regulation 9").

Regulation 9 enables a contractor to account to the collector for tax liable to be deducted from payments to sub-contractors in any quarterly period in a year of assessment within 14 days of the end of that period, rather than having to account within 14 days of the end of any income tax month for tax which he was liable to deduct from payments made in that month.

Regulation 1 provides for the citation and commencement of these Regulations.

Regulation 2 effects the amendment to paragraph (2) of regulation 9. As a result of the amendment the contractor may choose to account to the collector on a quarterly basis if he has reasonable grounds for believing that the average monthly amount which he would be liable to pay to the collector in the year of assessment in respect of—

(a) deductions from payments to sub-contractors,

(b) PAYE tax,

(c) national insurance contributions, and

(d) repayments in respect of student loans deducted from earnings,

after deducting the amount which he would be liable to pay by way of tax credits under regulation 6(2) of the Tax Credits (Payments by Employers) Regulations 1999 (S.I. 1999/3219), is less than £1,500.

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