

IMPORTANT: INCOME TAX CHANGES FROM 6 APRIL 1999

Code Changes for 1999/2000

At item number 2 in the last edition of the Notes issued at the end of October we gave details of code changes employers would be required to put into effect for 1999/2000 via the P9X procedure.

In his pre-Budget statement on 3 November 1998 the Chancellor announced that the personal allowance will be increased to £4335 from 6 April 1999. This early announcement, required in order to set the level of the Earnings Threshold for Employer NICs from 6 April 1999, affects the instructions that will be issued to employers via the P9X. **The following paragraph therefore replaces paragraph 2.2 of the Series 9 - Number 10 Notes.**

The P9X procedure will instruct employers to amend suffix codes carried forward from 1998/99 with an L or H suffix as follows

Suffix code L - **INCREASE** by 14 (e.g. code 419L becomes 433L)

Suffix code H - **DECREASE** by 27 (e.g. code 543H becomes 516H)

If the above instructions are followed and any code decreases result in a code of zero ("0") employers will be advised to first make sure that they have not received a code notification and then contact their Tax Office, using code 0T in the meantime.

All other code amendments will be notified by the issue of individual forms P9 or on list or magnetic tape/cartridge.

PAYE Threshold

The PAYE threshold with effect from 6 April 1999 is increased to £83.00 per week (£361.00 per month).

Code for Emergency Use

The code specified for emergency use with effect from 6 April 1999 is 433L.

Computer Specification for Tax Table Routines

There is no amendment required to the 'Computer Specification' as a result of these changes.