

PAY AS YOU EARN REGULATIONS: SIXTH PROGRESS REPORT

Summary

1. This paper reports work in progress on rewriting the PAYE regulations. It presents first drafts of rewritten versions of regulations 99 to 108 in Part VIII of the PAYE regulations. There is a commentary on these draft regulations.
2. There are no questions for the Committee because these working draft regulations will have been overtaken by the time of the next Committee meeting by a revised draft.
3. But we would welcome any comments from members of the Committees (and from others). There are detailed questions in the commentary on the draft regulations. Any comments on those would be welcome (by 10 February 2003 if possible please).

Background

4. Our first progress report (SC/CC(01)06) concerned timetables. The Committee endorsed, and Ministers later agreed and announced, the proposal that we should rewrite the PAYE regulations to be made in autumn 2003, to come into effect from 6 April 2004.
5. We have then provided (and made available on the internet) our
 - second progress report (SC/CC(02)05) with drafts rewriting regulations 3 to 39.
 - third progress report (SC/CC(02)11) with drafts rewriting regulations 40 to 55.
 - fourth progress report (SC/CC(02)16) with drafts rewriting regulations 80A to 80N.
 - fifth progress report (SC/CC(02)21) with drafts rewriting regulations 81 to 98H.
6. This succession of relatively short chunks of draft legislation responds to comments from some users that it is easier to deal with such papers and specific issues rather than with long papers and drafts.

Purpose of this paper

7. The purpose of this paper is:
 - to inform the Committee of progress on rewriting the regulations;
 - to make available to interested parties the current working drafts of regulations rewriting regulations 99 to 108; and
 - to invite users to give us (without commitment) comments or suggestions for making the regulations easier to understand.

8. But we shall publish at least one complete draft of the regulations for formal consultation in 2003.

Regulations 99 to 108 of SI 1993/744

9. These regulations deal with the relationship between:

- income tax deducted during a tax year from payments of PAYE income made to a person; and
- that person's overall tax liability for that tax year (established after the end of the year from their return and self-assessment).

10. They also deal with arrangements to collect income tax other than by the normal method of an employer deducting tax, in accordance with tax tables, from payments of PAYE income made by the employer.

11. Annex A to this paper is a commentary on the current drafts of these regulations.

12. Annex B contains the current drafts of the regulations.

13. In keeping with our approach to communication generally we are making the draft regulations available on the internet and inviting comments from anyone with an interest in them. If comments could be sent to Simon Williams, preferably e-mailed to Simon.Williams@ir.gsi.gov.uk by 10 February 2003 we shall be able to take them on board when revisiting these regulations. But there will, as noted above, be later drafts with more time for comments.

Tax Law Rewrite Project
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