

2006 No. 2689

TAX CREDITS

**The Tax Credits (Claims and Notifications) (Amendment)
Regulations 2006**

Made - - - - - *10th October 2006*

Laid before Parliament *11th October 2006*

Coming into force in accordance with regulation 1

The Commissioners for Her Majesty's Revenue and Customs, in exercise of the powers conferred by sections 6, 65(2) and (7) and 67 of the Tax Credits Act 2002(a), and now vested in them(b), make the following Regulations:

Citation, commencement and effect

1.—(1) These Regulations may be cited as the Tax Credits (Claims and Notifications) (Amendment) Regulations 2006 and shall come into force on 1st November 2006.

(2) Regulation 6 shall have effect from 6th April 2007.

Amendment of the Tax Credits (Claims and Notifications) Regulations 2002

2. The Tax Credits (Claims and Notifications) Regulations 2002(c) are amended as follows.

3. In regulation 21(1A)(d) for “27(1)” substitute “27(2), (2A) or (3)”.

4. For regulation 21(2) substitute—

“(2) The changes of circumstances described by this paragraph are those where—

- (a) entitlement to the tax credit ceases by virtue of section 3(4), or regulations made under section 3(7), of the Act;
- (b) there is a change in the relevant child care charges which falls within regulation 16(1)(b) (omitting paragraph (i)) of the Working Tax Credit Regulations(e);
- (c) a person ceases to undertake work for at least 16 hours per week for the purposes of—
 - (i) the Second Condition in regulation 4(1) (read with regulations 4(3) to (5) and 5 to 8), or
 - (ii) regulation 13(1),

(a) 2002 c. 21.

(b) The functions of the Commissioners of Inland Revenue were transferred to the Commissioners for Revenue and Customs by section 5 of the Commissioners for Revenue and Customs Act 2005 (c. 12).

(c) S.I. 2002/2014; relevantly amended by S.I. 2003/723 and 2004/1241.

(d) Paragraph (1A) was inserted by regulation 4 of S.I. 2003/723, and paragraph (2) amended by S.I. 2004/1241.

(e) S.I. 2002/2005.

of the Working Tax Credit Regulations;

- (d) a person ceases to undertake work for at least 30 hours per week for the purposes of the Second Condition in regulation 4(1) of the Working Tax Credit Regulations (read with regulations 4(3) to (5) and 5 to 8), except in a case where he still falls within the terms of paragraph (a) or (b) of that Condition;
- (e) a person ceases to undertake, or engage in, qualifying remunerative work for at least 16 hours per week for the purposes of—
 - (i) regulation 9(1)(a) (disability element),
 - (ii) regulation 10(2)(d) (30 hour element), or
 - (iii) regulation 18(3)(c) (50 plus element),of the Working Tax Credit Regulations;
- (f) a person ceases to engage in qualifying remunerative work for at least 30 hours per week, for the purposes of—
 - (i) regulation 10(1) (30 hour element), or
 - (ii) regulation 11(2)(c) (second adult element), in a case where the other claimant mentioned in that provision is not so engaged for at least 30 hours per week,of the Working Tax Credit Regulations;
- (g) a couple cease to engage in qualifying remunerative work for at least 30 hours per week, for the purposes of regulation 10(2)(c) (30 hour element) of the Working Tax Credit Regulations;
- (h) a person ceases to be treated as responsible for a child or qualifying young person, for the purposes of child tax credit or of the Working Tax Credit Regulations;
- (i) in a case where a person has given advance notification under regulation 27(2B) that a child is expected to become a qualifying young person, the child does not become a qualifying young person for the purposes of Part 1 of the Act;
- (j) a person ceases to be a qualifying young person for the purposes of Part 1 of the Act, other than by attaining the age of twenty; or
- (k) a child or qualifying young person dies.”

5. In regulation 21(3)—

- (a) after “or” insert “(except in the case of paragraph (2)(j))”; and
- (b) for “6 April 2003” substitute “the date on which the person first becomes aware of the change in circumstances”.

6. In regulation 21(3) for “three” (in both places it appears) substitute “one”.

7. In regulation 27(a)—

- (a) in paragraph (1) for “, (2A) and” substitute “to”;
- (b) after paragraph (2A) insert—

“(2B) The circumstances prescribed by this paragraph are those where a child is expected to become a qualifying young person for the purposes of Part 1 of the Act.”.

*Mike Eland
Steve Lamey*

10th October 2006

Two of the Commissioners for Her Majesty’s Revenue and Customs

(a) Regulation 27 was amended by regulation 5 of S.I. 2003/723.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Tax Credits (Claims and Notifications) Regulations 2002 (S.I. 2002/2014). The principal effects of the changes are twofold. First, they specify additional changes of circumstances of which claimants must notify H. M. Revenue and Customs, as they may decrease the rate of tax credits or lead to the cessation of entitlement. Secondly, they reduce the period for notification from three months from the change in circumstances to one month.

Regulation 1 provides for citation, commencement and effect and regulation 2 for amendment of the 2002 Regulations. Regulation 3 contains a technical drafting amendment.

Regulation 4 sets out all the changes in circumstances which have to be notified to H. M. Revenue and Customs for the purposes of Working Tax Credit and Child Tax Credit.

Regulation 5 alters the notification requirement by providing that in most cases, time runs from the date on which the claimant became aware of the change in circumstances.

Regulation 6 reduces the notification period to one month. Regulation 6 has effect from 6th April 2007, whereas the other changes (including regulation 5) have effect from 1st November 2006.

Regulation 27 adds an additional circumstance which may (optionally) be notified in advance to H. M. Revenue and Customs, where a child is expected to become a qualifying young person for the purposes of tax credits, for example where a child near his or her sixteenth birthday intends to continue in non-advanced full time education, or training.

A Regulatory Impact Assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies.

2006 No. 2689

TAX CREDITS

**The Tax Credits (Claims and Notifications) (Amendment)
Regulations 2006**

£3.00

© Crown copyright 2006

Printed and published in the UK by The Stationery Office Limited
under the authority and superintendence of Carol Tullo, Controller of Her Majesty's
Stationery Office and Queen's Printer of Acts of Parliament.

E1274 10/2006 161274T 19585