

2008 No. 3151 (C. 139)

TAX CREDITS

The Tax Credits Act 2002 (Transitional Provisions) Order 2008

Made - - - - *9th December 2008*

The Treasury, in exercise of the powers conferred by section 62(2) of the Tax Credits Act 2002(a), make the following Order:

Citation

1. This Order may be cited as the Tax Credits Act 2002 (Transitional Provisions) Order 2008.

Deemed claims for tax credits

2.—(1) A claim shall be deemed to be made under section 3(1) of the Tax Credits Act 2002 where—

- (a) Her Majesty's Revenue and Customs receive a claim for tax credits from the Department for Work and Pensions;
- (b) the claim is in respect of a person whose entitlement to income support is due to end as a result of the Social Security (Lone Parents and Miscellaneous Amendments) Regulations 2008(b);
- (c) the claim complies with regulation 5(2), and contains the information required in regulation 5(3) to (5) of the Tax Credits (Claims and Notifications) Regulations 2002(c);

(2) The claim shall be deemed to be made by the person in respect of whom it is made.

(3) The claim shall be deemed to be made on the date when it is recorded on a computer system of Her Majesty's Revenue and Customs. This is subject to the effect of Article 3(3).

Amendments to the Tax Credits Act 2002 (Commencement No. 4, Transitional Provisions and Savings) Order 2003

3.—(1) The Tax Credits Act 2002 (Commencement No. 4, Transitional Provisions and Savings) Order 2003(d) shall be amended as follows:

(2) In Article 2(5) for "31st December 2008" substitute "31st December 2011".

(3) In Article 5(4) for paragraph (a) substitute—

“(a) the earlier day falls before 31st December 2011; and”.

(a) 2002 c.21.

(b) S.I.2008/3051.

(c) S.I. 2002/2014 as amended by S.I.2008/2169.

(d) S.I. 2003/962 (C. 51); Article 2(5) was amended by S.I. 2005/1106 and S.I. 2006/3369.

Dave Watts

Frank Roy

9th December 2008

Two of the Lords Commissioners of Her Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

This Order is to ensure that tax credits are paid to lone parents whose entitlement to income support, and to child premium on that income support is due to cease as a result of the Social Security (Lone Parents and Miscellaneous Amendments) Regulations 2008. In most cases these lone parents will be entitled to tax credits. In some cases they will not make a claim for tax credits on their own behalf. Where this is so, the Department of Work and Pensions (DWP) may make a claim for tax credits on their behalf. This so that no entitlement to tax credits is missed.

Article 2 of this Order deems a claim to be made under section 3(1) Tax Credits Act 2002 where the DWP send an application on behalf of a lone parent to HMRC. A claim will only be deemed to be made where it is in respect of a person whose entitlement to income support is due to end as a result of the Social Security (Lone Parents and Miscellaneous Amendments) Regulations 2008. The claim must also comply with the need to provide a national insurance number and other administrative requirements under the Tax Credits (Claims and Notifications) Regulations 2002. The claim will date from the day when it is registered on a computer system of Her Majesty's Revenue and Customs.

Article 3(2) of this Order ensures that part of the Tax Credits Act 2002 is not brought into force until the end of 2011; namely, that part of the Tax Credits Act which abolishes certain DWP benefits, to be superceded by tax credits. In relation to this Order, this applies in particular to income support, and child premium thereof, except as prescribed by this Order, and other Regulations and Orders made under the Tax Credits Act.

Article 3(3) of this Order relates to the date from which a person is entitled to Tax Credits. Regulation 7 of the Tax Credits (Claims and Notifications) Regulations treats a claim as made up to three months before a claim has been received. Article 3(3) of this Order prolongs up to 2011 an exception made to those provisions under the Tax Credits Act 2002 (Commencement No.4, Transitional Provisions and Savings) Order 2003. This only allows a person to be entitled to tax credits from a date when they were not otherwise entitled to Income Support or Job-seekers Allowance.

A full regulatory impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.

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