

*These notes refer to the Tax Credits Act 2002
(c.21) which received Royal Assent on 8 July 2002*

TAX CREDITS ACT 2002

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 3: Supplementary

Section 63: Tax credits appeals etc.: temporary modifications

218. **Section 39** sets out the framework for appeals under Part 1 of the Act. That section provides for appeals to be handled by the Tax Commissioners in the same way as appeals relating to tax. However, section 63 provides for transitional arrangements for certain appeals and related matters. Those transitional arrangements will remain in place until a day appointed by order under *subsection (1)* of section 63.
219. During the lifetime of these transitional arrangements, appeals made by people claiming tax credits, but not appeals made by employers responsible for the payment of tax credits, will be to an appeal tribunal (that is, a tribunal set up under Social Security Act 1998 or, in Northern Ireland, the Social Security (Northern Ireland) Order 1998) rather than to the General or Special Commissioners. Appeals against decisions by the appeal tribunal will be to the Social Security Commissioner, rather than to the High Court or Court of Session.
220. Regulations will make provision for the procedures to be followed in relation to the hearing of such appeals since the procedures prescribed for hearings by General Commissioners and Special Commissioners may be inappropriate. Such regulations will apply the provisions contained in Chapter 2 of Part 1 of the Social Security Act 1998 and Chapter 2 of Part 2 of the Social Security (Northern Ireland) Order 1998, modified as appropriate. The regulations may also apply section 54 of the Taxes Management Act 1970, which allows for any appeal to be settled by agreement between the appellant and the Revenue with the same consequences as if the appeal had been decided by a Tribunal.
221. Similar transitional arrangements will apply in relation to proceedings for penalties, other than employer information penalties, under paragraph 3 of Schedule 2 and to applications for a direction for an enquiry under section 19 to be closed down.