

STATUTORY INSTRUMENTS

2003 No. 2682

The Income Tax (Pay As You Earn) Regulations 2003

PART 2

CODES

Appeals and amendment

Objections and appeals against employee's code

18.—(1) An employee who objects to the determination of a code must state the grounds of objection.

(2) On receiving the notice of objection the Inland Revenue may amend the determination of the code by agreement with the employee.

(3) If the Inland Revenue and employee do not reach agreement, the employee may appeal ... against the determination of the code by giving notice to the Inland Revenue.

(4) [^{F1}On an appeal that is notified to the tribunal, the tribunal] must determine the code in accordance with these Regulations.

(5)

Textual Amendments

F1 Words in [reg. 18\(4\)](#) substituted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), [Sch. 2 para. 94\(3\)](#)

Amendment of code

19.—(1) Paragraph (2) applies if the code for use by an employer in respect of an employee is found to be inappropriate because the actual circumstances are different from the circumstances by reference to which it was determined, whether by the Inland Revenue or the [^{F2}tribunal].

(2) The Inland Revenue may, and if required by the employee must, amend the code by reference to the actual circumstances.

(3) The Inland Revenue must give notice of the amended code to the employee by the date on which the notice under regulation 20(1) is issued to the employer.

[^{F3}(4) But notice need not be given—

(a) if the change in the code is because of an alteration or a proposed alteration—

(i) in the rates of any of the personal reliefs allowable under Chapters 2 (personal allowance etc.) and 3 (tax reductions etc.) of Part 3 of the Income Tax Act 2007; or

(ii) in the tax tables; or

Changes to legislation: *The Income Tax (Pay As You Earn) Regulations 2003, Cross Heading: Appeals and amendment is up to date with all changes known to be in force on or before 01 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

- (b) if as a consequence of any change to the code—
- (i) the employee's PAYE income is not chargeable to tax; or
 - (ii) the employee does not have a liability to tax in respect of any PAYE income.]

(5) Regulation 18 (objections and appeals) applies in relation to the amended code as it applies in relation to the original code.

(6) Regulation 18 also applies if the Inland Revenue do not agree that the circumstances have changed and so refuse to amend the code in accordance with paragraph (2).

Textual Amendments

- F2** Word in [reg. 19\(1\)](#) substituted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 2 para. 95**
- F3** [Reg. 19\(4\)](#) substituted (29.1.2015) by [The Income Tax \(Pay As You Earn\) \(Amendment\) Regulations 2015 \(S.I. 2015/2\)](#), regs. 1(1), **2(4)**

Notice to employer of amended code

20.—(1) If the code for use by an employer in respect of an employee is amended after notice of it has been issued to the employer, the Inland Revenue must issue the amended code to the employer.

(2) An amended code is issued to an employer if it is contained in a document that is sent to the employer or a person acting on behalf of the employer by the Inland Revenue, and any code so issued is received by the employer for the purposes of these Regulations.

(3) On making any subsequent relevant payment to the employee, the employer must deduct or repay tax by reference to the amended code.

(4) Paragraphs (5) and (6) apply if there is a change or proposed change in the rates of any of the personal reliefs allowable under sections 257 and 257A of ICTA (personal allowance and married couple's allowance).

(5) If the change or proposed change relates to the current tax year, the Inland Revenue may give notice requiring the employer, with effect from the date specified in the notice, to amend specified codes as directed.

(6) If the change relates to the following tax year, the Inland Revenue may give notice requiring the employer to carry forward to the following tax year specified codes of the current tax year and adjust them as directed in the notice.

(7) A code which has—

- (a) been amended by virtue of paragraph (5) in respect of the current tax year, or
- (b) been carried forward to the following tax year and adjusted by virtue of paragraph (6),

is treated as having been determined and issued by the Inland Revenue as the employee's code for that tax year.

(8) A notice under paragraphs (5) and (6) may be issued to the employer or to a person acting on behalf of the employer.

Changes to legislation:

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Changes and effects yet to be applied to the whole Instrument associated Parts and Chapters:

Whole provisions yet to be inserted into this Instrument (including any effects on those provisions):

- reg. 67BD inserted by [S.I. 2024/305 reg. 2\(2\)](#)
- reg. 72GA-72GC inserted by [S.I. 2024/355 reg. 2\(2\)](#)