
STATUTORY INSTRUMENTS

2011 No.1583

INCOME TAX

The Finance Act 2009 (Consequential Amendments) Order 2011

<i>Made</i>	- - - -	<i>28th June 2011</i>
<i>Laid before the House of Commons</i>	- - - -	<i>29th June 2011</i>
<i>Coming into force</i>	- -	<i>20th July 2011</i>

The Treasury make the following Order in exercise of the powers conferred by paragraph 10(1) of Schedule 58 to the Finance Act 2009(1).

Citation and commencement

1. This Order may be cited as the Finance Act 2009 (Consequential Amendments) Order 2011 and comes into force on 20th July 2011.

Amendment of the Income Tax (Earnings and Pensions) Act 2003

2.—(1) The Income Tax (Earnings and Pensions) Act 2003(2) is amended as follows.

(2) In section 1(3)(3) (overview of contents of this Act), omit “and” at the end of paragraph (b) and after that paragraph insert—

“(ba) allows deductions to be made from such income in respect of certain debts payable to the Commissioners for Her Majesty’s Revenue and Customs (see Part 11), and”.

(3) In section 684(7AA)(4) (PAYE Regulations) for “section” substitute “Part”.

(4) In section 685(1)(a)(5) (tax tables) for “is” substitute “and any relevant debts payable during that tax year are”.

(5) In section 685(1)(b)—

(a) after “the income tax” insert “and any relevant debts”,

(b) for “is such”, substitute “are such”,

(c) in sub-paragraph (i)—

(1) 2009 c.10.

(2) 2003 c.1.

(3) Section 1 was amended by paragraph 426 of Schedule 1 to the Income Tax Act 2007 (c. 3).

(4) Section 684(7AA) was inserted by paragraph 6 of Schedule 58 to the Finance Act 2009 (“FA 2009”).

(5) Section 685(1) was amended by paragraph 102(2) of Schedule 4 to the Commissioners for Revenue and Customs Act 2005 (c. 11) (“the 2005 Act”) and paragraph 9(3) of Schedule 58 to FA 2009.

- (i) after “the total net income tax” insert “and any relevant debts”, and
 - (ii) after “the total income tax” insert “and the total amount of any relevant debts”.
- (6) In section 687 (payments by intermediary)—
- (a) in subsection (2) after “income tax” insert “and any relevant debts”,
 - (b) in subsection (3)(a)—
 - (i) after “deduction of income tax” insert “and any relevant debts”,
 - (ii) after “any income tax due” insert “and any relevant debts deductible”.
- (7) In section 689 (employee of non-UK employer)—
- (a) in subsection (1)(d) for “is” substitute “and any relevant debts are”,
 - (b) in subsection (3)(a)—
 - (i) after “income tax” in the first place insert “and any relevant debts due under the PAYE regulations”,
 - (ii) after “income tax” in the second place, insert the words “and any relevant debts deductible”.
- (8) In section 690(9)(b) (employee non-resident, etc)—
- (a) after “repayment of income tax” insert “and any relevant debts”, and
 - (b) after “obligation to pay income tax underpaid” insert “and any relevant debts that remain wholly or partly unpaid”.
- (9) In section 691(6) (mobile UK workforce)—
- (a) in subsection (1)(c) after “income tax” insert “and any relevant debts”,
 - (b) in subsection (2) for “income tax is” substitute “income tax and any relevant debts are”, and
 - (c) in subsection (5) for “is” in the first place substitute “and any relevant debts are”.
- (10) In section 712(1) (interpretation of this Part), after “The above definitions are subject to sections 688 and 710(2)(b)”, insert—
- “relevant debt” has the meaning given by section 684(7AA).”.
- (11) In Part 2 of Schedule 1 (index of expressions defined in this Act or ICTA)(7), after the reference to “relevant benefits” insert—
- “relevant debt (in Part 11) section 684(7AA)”.

28th June 2011

Brooks Newmark
Jeremy Wright
Two of the Lords Commissioners of Her
Majesty’s Treasury

(6) Section 691 was amended by paragraph 102 to Schedule 4 to the 2005 Act.
(7) Part 2 of Schedule 2 was amended by section 249(12) of the Finance Act 2004 (c. 12). There are other amendments but none are relevant.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order contains consequential amendments to the Income Tax (Earnings and Pensions) Act 2003 resulting from the amendments made to that Act by Schedule 58 to the Finance Act 2009 (c.10). The amendments enable “relevant debts” owed by an individual to HMRC to be collected via the PAYE system.

An Impact Assessment covering this instrument was published at Budget 2009 and is available on the HMRC website at <http://www.hmrc.gov.uk/ria/index.htm>. It remains an accurate summary of the impacts that apply to this instrument.