

2009 No. 800

TAX CREDITS

The Tax Credits Up-rating Regulations 2009

Made - - - - *26th March 2009*

Coming into force - - *6th April 2009*

As a result of carrying out in the tax year 2008–09 a review of the amounts specified in section 41(2) of the Tax Credits Act 2002^(a) (“the Act”) and in accordance with section 41(1) of the Act, the Treasury have determined that Regulations should be made prescribing increases in some of those sums.

A draft of these Regulations was laid before Parliament in accordance with section 66(1) and (2)(a) of the Act and approved by resolution of each House of Parliament.

Accordingly, the Treasury make the following Regulations in the exercise of the powers conferred upon them by sections 7(1)(a), 9, 11, 13, 65(1) and 67 of the Act^(b).

Citation, commencement, interpretation and effect

1.—(1) These Regulations may be cited as the Tax Credits Up-rating Regulations 2009 and shall come into force on 6th April 2009.

(2) In these Regulations—

“the Child Tax Credit Regulations” means the Child Tax Credit Regulations 2002^(c);

“the Entitlement Regulations” means the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002^(d);

“the Income Thresholds Regulations” means the Tax Credits (Income Thresholds and Determination of Rates) Regulations 2002^(e).

(3) These Regulations have effect in relation to awards of tax credits for the tax year beginning on 6th April 2009.

Amendment of the Child Tax Credit Regulations

2.—(1) The Child Tax Credit Regulations are amended as follows.

(2) In regulation 7(4) (individual element)—

(a) in sub-paragraph (a) for “£4,625” substitute “£4,905”;

(b) in sub-paragraph (b) for “£5,645” substitute “£5,980”;

(a) 2002 c. 21.

(b) Section 67 is cited for the meaning given to the word “prescribed”.

(c) S.I. 2002/2007, last amended by S.I. 2008/796; there are other amending instruments but none is relevant.

(d) S.I. 2002/2005, last amended by S.I. 2008/796; there are other amending instruments but none is relevant.

(e) S.I. 2002/2008, last amended by S.I. 2008/796; there are other amending instruments but none is relevant.

- (c) in sub-paragraph (c) for “£2,085” substitute “£2,235”;
- (d) in sub-paragraph (d) for “£4,625” substitute “£4,905”;
- (e) in sub-paragraph (e) for “£5,645” substitute “£5,980”; and
- (f) in sub-paragraph (f) for “£2,085” substitute “£2,235”.

Amendment of the Entitlement Regulations

3. For the Table in Schedule 2 to the Entitlement Regulations (maximum rates of the elements of a working tax credit) substitute the Table set out in the Schedule to these Regulations.

Amendment of the Income Thresholds Regulations

4.—(1) The Income Thresholds Regulations are amended as follows.

(2) In regulation 3(3) (first income threshold for those entitled to child tax credit) for “£15,575” substitute “£16,040”.

(3) In regulation 8(3) (determination of child tax credit) in step 4 for “£15,575” substitute “£16,040”.

Frank Roy
Dave Watts

26th March 2009

Two of the Lords Commissioners of Her Majesty’s Treasury

SCHEDULE

Regulation 3

Table substituted in Schedule 2 to the Entitlement Regulations

<i>Relevant element of working tax credit</i>	<i>Maximum annual rate</i>
1. Basic element	£1,890
2. Disability element	£2,530
3. 30 hour element	£775
4. Second adult element	£1,860
5. Lone parent element	£1,860
6. Severe disability element	£1,075
7. 50 plus element—	
(a) in the case of a person who normally undertakes qualifying remunerative work for at least 16 hours but less than 30 hours per week; and	£1,300
(b) in the case of a person who normally undertakes qualifying remunerative work for at least 30 hours per week	£1,935

EXPLANATORY NOTE

(This note is not part of the Regulations)

Section 41 of the Tax Credits Act 2002 requires the Treasury, in each tax year to—

- (a) review the amounts referred to in subsection (2) of that section,
- (b) prepare a report of each review; including a statement of what each of the amounts would be if it had fully retained its value, and
- (c) publish the report and lay a copy of it before each House of Parliament.

The Treasury's report of the review in respect of the tax year 2008-09 was laid before Parliament on 9th February 2009 and published.

In consequence of the review the Treasury have made these Regulations, prescribing increases in certain of the sums required to be reviewed under section 41.

The figures in these Regulations were last amended by the Tax Credits Up-rating Regulations 2008 (S.I. 2008/796). The figures referred to in those Regulations are superseded by the figures referred to in these Regulations.

Regulation 2 amends regulation 7(4) of the Child Tax Credit Regulations 2002, increasing the maximum rate of the individual elements of child tax credit.

Regulation 3 and the Schedule amend Schedule 2 to the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002 by substituting a new Table prescribing the maximum rates for the elements of working tax credit other than the child care element.

Regulation 4 increases the first income threshold for those entitled to child tax credit in regulation 3(3) of the Tax Credits (Income Thresholds and Determination of Rates) Regulations 2002 and the threshold amount shown at step 4 in regulation 8(3) of those Regulations.

An Impact Assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.

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STATUTORY INSTRUMENTS

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