Draft Regulations laid before Parliament under sections 66(1) and (2) of the Tax Credits Act 2002, for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2011 No. ****

TAX CREDITS

The Tax Credits Up-rating Regulations 2011

Made - - - -	***
Coming into force - -	*6th April 2011*

Following a review in the tax year 2010-11 of the amounts specified in section 41(2) of the Tax Credits Act 2002(**1**), the Treasury have determined that Regulations should be made prescribing increases in some of those amounts.

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

The Treasury make the following Regulations in the exercise of the powers conferred by sections 7(1)(a), 9, 11, 12, 13, 65(1) and 67 of that Act(**2**).

Citation, commencement, and effect

1.—(1) These Regulations may be cited as the Tax Credits Up-rating Regulations 2011 and come into force on 6th April 2011.

(2) These Regulations have effect in relation to awards of tax credits for the year beginning on 6th April 2011.

Amendment of the Child Tax Credit Regulations

2.—(1) Regulation 7 of the Child Tax Credit Regulations 2002(**3**) (determination of the maximum rate) is amended as follows.

(2) For paragraph (3) substitute—

"(3) The family element of child tax credit is £545.".

(3) In paragraph (4)—

(a) in sub-paragraph (a) for "£5,015" substitute "£5,355";

(b) in sub-paragraph (b) for "£6,110" substitute "£6,485";

(**1**) 2002 c. 21.
(**2**) Section 67 is cited for the meaning given to the word "prescribed".
(**3**) S.I. 2002/2007; the last relevant amending instrument is S.I.2010/981.

(c) in sub-paragraph (c) for "£2,300" substitute "£2,555";

(d) in sub-paragraph (d) for "£5,015" substitute "£5,355";

(e) in sub-paragraph (e) for £6,110" substitute "£6,485";

(f) in sub-paragraph (f) for £2,300" substitute "£2,555".

Amendment of the Working Tax Credit (Entitlement and Maximum Rate) Regulations

3.—(1) The Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002(**4**) are amended as follows.

(2) In regulation 20(2) (the childcare percentage) for "80 per cent" substitute "70 per cent".

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

Amendment of the Tax Credits (Income Thresholds and Determination of Rates) Regulations 2002

4.—(1) The Tax Credits (Income Thresholds and Determinations of Rates) Regulations 2002(**5**) are amended as follows.

(2) In regulation 3(3) (manner in which amounts to be determined for the purposes of section 7(1)(a) of the Act) for "£16,190" substitute "£15,860".

(3) In regulation 5 (amounts prescribed for section 7(3)(a) and (b) of the Act) for "£25,000" substitute "£10,000".

(4) In regulation 7(3) (determination of rate of working tax credit), in Step 10, for "80%" substitute "70%".

(5) In regulation 8(3) (determination of child tax credit)—

(a) in Step 4, for "£16,190" substitute "£15,860";

(b) in Step 5, for "39%" substitute "41%";

(c) in Step 8—

(i) for "6.67%" substitute "41%";

(ii) for "£50,000" substitute "£40,000";

(d) in Step 9, (finding X for the purposes of Step 8), for "£50,000" substitute "£40,000".

Signatory text

Name
Name
Two of the Lords Commissioners of Her Majesty's Treasury

Date

(**4**) S.I. 2002/2005; relevant amending instruments are S.I. 2006/963 and S.I. 2010/981.
(**5**) S.I. 2002/2008; relevant amending instruments are S.I. 2006/963, S.I. 2008/796, S.I. 2010/751 and S.I. 2010/981.