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

DRAFT STATUTORY INSTRUMENTS

2005 No.

SOCIAL SECURITY

The Tax Credits Up-rating Regulations 2005

Made - - - -	*2005*
Coming into force - -	*6th April 2005*

As a result of carrying out in the tax year 2004-05 a review of the amounts specified in section 41(2) of the Tax Credits Act 2002(**1**) ("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 in exercise of the powers conferred upon them by sections 7(1)(a), 9, 11, 13 and 65(1) of the Act, make the following Regulations:

Citation, commencement, effect and interpretation

1.—(1) These Regulations may be cited as the Tax Credits Up-rating Regulations 2005 and shall come into force on 6th April 2005.

(2) In these Regulations

"the Child Tax Credit Regulations" means the Child Tax Credit Regulations 2002(**2**)

"the Entitlement Regulations" means the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002(**3**)

"the Income Thresholds Regulations" means the Tax Credits (Income Thresholds and Determination of Rates) Regulations 2002(**4**)

(3) These Regulations have effect in relation to awards of tax credits for the tax year beginning on 6th April 2005 and subsequent tax years.

(**1**) 2002 c.21.
(**2**) S.I.2002/2007.
(**3**) S.I.2002/2005.
(**4**) S.I.2002/2008.

Amendment of 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 "£3,840" substitute "£3,975";

(b) in sub-paragraph (b) for "£4,730" substitute"£4,895";

(c) in sub-paragraph (c) for "£1,625" substitute "£1,690";

(d) in sub-paragraph (d) for "£3,840" substitute "£3,975";

(e) in sub-paragraph (e) for "£4,730" substitute "£4,895";

(f) in sub-paragraph (f) for "£1,625" substitute "£1,690".

Amendment of the Entitlement Regulations

3.—(1) In regulation 20(3) of the Entitlement Regulations(maximum rate of the child care element of a working tax credit)—

(a) in sub-paragraph (a) for "£135" substitute "£175".

(b) in sub-paragraph (b) for "£200" substitute "£300".

(2) For the Table in Schedule 2 to the Entitlement Regulations substitute the Table set out in the Schedule to these Regulations.

Amendment of the Income Thresholds Regulations

4.—(1) In regulation 3(2) of the Income Thresholds Regulations (first income threshold for those entitled to working tax credit) for "£5,060" substitute "£5,220".

(2) In regulation 3(3) of the Income Thresholds Regulations (first income threshold for those entitled to child tax credit) for "£13,480" substitute "£13,910".

(3) In regulation 7(3) (determination of rate of working tax credit) for "£5,060" (threshold amount shown at step 4) substitute "£5,220".

(4) In regulation 8(3) (determination of child tax credit) for "£13,230" (threshold amount shown at step 4) substitute "£13,910".

Two of the Lords Commissioners of Her
2005 Majesty's Treasury