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S T A T U T O R Y   I N S T R U M E N T S

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**2000 No. 921**

**INCOME TAX**

**The Income and Corporation Taxes Act 1988, Section  
559(4A), Order 2000**

*Made*        -   -   -   -                      *30th March 2000*

*Laid before the House of Commons*        *31st March 2000*

*Coming into force*    *6th April 2000*

The Treasury, in exercise of the powers conferred on them by section 559(4A) of the Income and Corporation Taxes Act 1988(a), hereby make the following Order:

1. This Order may be cited as the Income and Corporation Taxes Act 1988, Section 559(4A), Order 2000 and shall come into force on 6th April 2000 immediately after the bringing into effect of section 139(1) of the Finance Act 1995(b).

2. The relevant percentage determined for the purposes of section 559(4) and (4A) of the Income and Corporation Taxes Act 1988 is 18 per cent.

*Jim Dowd*  
*Bob Ainsworth*

30th March 2000

Two of the Lords Commissioners of Her Majesty's Treasury

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(a) 1988 c. 1; subsection (4A) was inserted by section 139(1) of the Finance Act 1995 (c. 4).

(b) See the Appointment Day Order which gives effect to section 139(1) of the Finance Act 1995 (the latter also amends section 559(4) of the Income and Corporation Taxes Act 1988), S.I. 2000/922 (C.22).

**EXPLANATORY NOTE**

*(This note is not part of the Order)*

This Order sets the rate of deduction which a contractor in the Construction Industry has to make, from payments which he makes to sub-contractors to which section 559 of the Income and Corporation Taxes Act 1988 (“the Taxes Act”) applies. This excludes a sub-contractor who holds a sub-contractor’s tax certificate, with the result that section 561 of the Taxes Act applies

The rate of deduction may not exceed the basic rate of income tax for the year of assessment in which the payment is made. This Order sets the deduction rate at eighteen per cent.

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