

2007 No. 46

INCOME TAX

**The Finance Act 2004, Section 61(2), (Relevant Percentage)
Order 2007**

<i>Made</i> - - - -	<i>11th January 2007</i>
<i>Laid before the House of Commons</i>	<i>11th January 2007</i>
<i>Coming into force</i> - -	<i>1st February 2007</i>

The Treasury make the following Order in exercise of the powers conferred upon them by section 61(2) of the Finance Act 2004(a):

1. This Order may be cited as the Finance Act 2004, Section 61(2), (Relevant Percentage) Order 2007 and shall come into force on 1st February 2007.

2. For the purposes of section 61(1) of the Finance Act 2004 (deductions on account of tax from contract payments) the relevant percentage is—

- (a) 20% if the person for whose labour (or for whose employees' or officers' labour) the payment in question is made is registered for payment under deduction, or
- (b) 30% if that person is not so registered.

*Kevin Brennan
Claire Ward*

11th January 2007

Two of the Lords Commissioners of Her Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Orders)

Chapter 3 of the Finance Act 2004 (c. 12) establishes the construction industry scheme which provides for certain payments under construction contracts to be made under deduction of sums on account of tax. This Order specifies the relevant percentage of the payment to be deducted.

This Order imposes no new costs on business.

£3.00

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