

1999 No. 1929

INCOME TAX

**The Corporation Tax (Instalment Payments) (Amendment)
Regulations 1999**

<i>Made - - - -</i>	<i>6th July 1999</i>
<i>Laid before the House of Commons</i>	<i>7th July 1999</i>
<i>Coming into force</i>	<i>28th July 1999</i>

The Treasury, in exercise of the powers conferred on them by section 59E of the Taxes Management Act 1970(a), hereby make the following Regulations:

Citation, commencement and effect

1.—(1) These Regulations may be cited as the Corporation Tax (Instalment Payments) (Amendment) Regulations 1999 and shall come into force on 28th July 1999.

(2) These Regulations have effect in relation to accounting periods of companies ending on or after 1st July 1999.

Interpretation

2. In these Regulations “the principal Regulations” means the Corporation Tax (Instalment Payments) Regulations 1998(b) and “regulation” means a regulation of the principal Regulations.

Amendments to the principal Regulations

3.—(1) Regulation 9 (consequential amendment of section 102 of the Finance Act 1989(c)) is amended as follows.

(2) In paragraph (1) for the words from “in relation” to the end there shall be substituted the words “with the modifications specified in paragraphs (2) to (4) in any case where a tax refund falls to be made to the surrendering company in respect of an amount paid in respect of its total liability for an accounting period and—

- (a) either the surrendering company or the recipient company referred to in that section is a large company as respects that accounting period, or
- (b) both the surrendering company and the recipient company so referred to are large companies as respects that accounting period.”

(a) 1970 c. 9. Section 59E was inserted by section 30 of the Finance Act 1998 (c. 36).

(b) S.I. 1998/3175.

(c) 1989 c. 26; section 102 was amended by paragraph 11 of Schedule 14 to the Finance Act 1993 (c. 34) and paragraph 12(3) of Schedule 24 to the Finance Act 1995 (c. 4).

- (3) In paragraph (2) for sub-paragraph (b) there shall be substituted the following paragraph—
- “(b) after paragraph (c) of that definition there shall be added “or
- (d) the repayment of the whole or any part of any amount paid by way of an instalment under the Corporation Tax (Instalment Payments) Regulations 1998 in respect of the company’s total liability for the period.” ”
- (4) For paragraph (3) there shall be substituted the following paragraphs—
- “(3) In subsection (5) after the word “refund” there shall be inserted the words “other than a refund of instalment corporation tax”.
- (4) After subsection (5) there shall be inserted the following subsections—
- “(5A) In subsection (4) above “the relevant date”, in relation to a refund of instalment corporation tax, means—
- (a) in so far as the refund falls to be treated in accordance with subsections (5C) to (5E) below as consisting of a repayment of the whole or any part of a payment made on or before the earliest due date, that date; and
- (b) in so far as the refund falls to be treated in accordance with those subsections as consisting of the repayment of the whole or any part of a payment made after the earliest due date, the date on which the payment was made.
- (5B) For the purposes of subsection (5A) above the earliest due date, in relation to a refund of instalment corporation tax, is—
- (a) where the surrendering company is a large company for the relevant accounting period, the earliest date on which any amount is treated as having become due and payable by that company under regulation 5 of the Corporation Tax (Instalment Payments) Regulations 1998 in respect of that company’s total liability for that period; and
- (b) where the surrendering company is not a large company for that accounting period, the date that would have been the earliest due date under paragraph (a) above had it been a large company for that period.
- (5C) For the purposes of subsection (5A) above the surrendering company shall, at the same time as the giving of the notice under subsection (2) above in the case of any refund of instalment corporation tax relating to any accounting period, give notice to the inspector identifying the extent to which it requires the refund to be treated as consisting of amounts comprised in any payment or payments made for that period.
- (5D) Where, in a case to which subsection (5C) above applies, the inspector notifies the surrendering company that the amount of the refund of instalment corporation tax relating to the accounting period is less than the aggregate of the amounts identified under that subsection, that company shall, not later than thirty days after the notification, give a revised notice under that subsection to the inspector.
- (5E) Where, in a case to which subsection (5D) above applies—
- (a) a notification has been given to the surrendering company under that subsection, and
- (b) the surrendering company fails to give a revised notice in accordance with the requirements of that subsection,
- the same consequences shall follow as if no notice had been given in accordance with subsection (2) above in relation to the refund.
- (5F) In this section—
- (a) references to a refund of instalment corporation tax are references to any such refund of tax for any accounting period as falls in relation to that accounting period within paragraph (d) of the definition of “tax refund relating to an accounting period” in subsection (3) above;
- (b) references to a large company shall be construed in accordance with regulation 3 of the Corporation Tax (Instalment Payments) Regulations 1998;
- (c) references to the total liability of a company for an accounting period shall be construed in accordance with regulation 2(3) of those Regulations.” ”

4. In regulation 12(1) immediately before the words “require a company” there shall be inserted the words “by notice”.

Bob Ainsworth

Clive Betts

6th July 1999

Two of the Lords Commissioners of Her Majesty’s Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Corporation Tax (Instalment Payments) Regulations 1998 (S.I. 1998/3175) (“the principal Regulations”) and, like the principal Regulations, have effect in relation to accounting periods of companies ending on or after 1st July 1999 (the day appointed for the purposes of corporation tax self-assessment).

Regulation 1 provides for citation, commencement and effect, and regulation 2 for interpretation.

Regulation 3 amends regulation 9 of the principal Regulations which modifies section 102 of the Finance Act 1989 (surrender of company tax refund within group) so that it includes the surrender of an excess amount paid by a company under the principal Regulations in respect of its tax liability. The amendments made by these Regulations make further modifications to section 102 of the 1989 Act so as to identify the payments of tax in relation to which the refund is made.

Regulation 4 amends regulation 12 of the principal Regulations (inspection of records) so as to provide that the requirement for a company to make available books, documents and other records for inspection shall be in response to a notice given by an officer of the Board.

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