



Tax Collection and Management (Wales) Act 2016

2016 anaw 6

PART 5

PENALTIES

CHAPTER 2

PENALTIES FOR FAILURE TO MAKE RETURNS OR PAY TAX

Penalty for failure to make tax return

118 Penalty for failure to make tax return on or before filing date

A person is liable to a penalty of £100 if the person fails to make a tax return on or before the filing date.

119 Penalty for failure to make tax return within 6 months from filing date

- (1) A person is liable to a penalty if the person's failure to make a tax return continues after the end of the period of 6 months beginning with the day after the filing date.
- (2) The penalty is the greater of—
 - (a) 5% of the amount of the devolved tax to which the person would have been liable if the tax return had been made, and
 - (b) £300.

120 Penalty for failure to make tax return within 12 months from filing date

- (1) A person is liable to a penalty if the person's failure to make a tax return continues after the end of the period of 12 months beginning with the day after the filing date.

- (2) Where, by failing to make the tax return, the person deliberately withholds information which would enable or assist WRA to assess the person’s liability to a devolved tax, the penalty is the greater of—
 - (a) 100% of the amount of the devolved tax to which the person would have been liable if the tax return had been made, and
 - (b) £300.
- (3) In any case not falling within subsection (2), the penalty is the greater of—
 - (a) 5% of the amount of the devolved tax to which the person would have been liable if the tax return had been made, and
 - (b) £300.

121 Reduction in penalty for failure to make tax return: disclosure

- (1) WRA may reduce a penalty under section 118, 119 or 120 if the person discloses information which has been withheld as a result of a failure to make a tax return (“relevant information”).
- (2) A person discloses relevant information by—
 - (a) telling WRA about it,
 - (b) giving WRA reasonable help in quantifying any devolved tax unpaid by reason of the information having been withheld, and
 - (c) allowing WRA access to records for the purpose of checking how much devolved tax is so unpaid.
- (3) In reducing a penalty under this section, WRA may take account of—
 - (a) whether the disclosure was prompted or unprompted, and
 - (b) the quality of the disclosure.
- (4) Disclosure of relevant information—
 - (a) is “unprompted” if made at a time when the person making the disclosure has no reason to believe that WRA has discovered or is about to discover the relevant information, and
 - (b) otherwise, is “prompted”.
- (5) “Quality”, in relation to disclosure, includes timing, nature and extent.