



# Tax Collection and Management (Wales) Act 2016

2016 anaw 6

## PART 5 **E+W**

### PENALTIES

#### CHAPTER 2 **E+W**

#### PENALTIES FOR FAILURE TO MAKE RETURNS OR PAY TAX [<sup>F1</sup>OR AMOUNTS PAYABLE IN RESPECT OF TAX CREDITS]

*Penalties under Chapter 2: general*

#### 127 **Assessment of penalties under Chapter 2** **E+W**

- (1) Where a person becomes liable to a penalty under this Chapter, WRA must—
  - (a) assess the penalty,
  - (b) issue notice to the person of the penalty assessed, and
  - (c) state in the notice the period [<sup>F1</sup>, transaction or amount] in respect of which the penalty has been assessed.
- (2) An assessment of a penalty under this Chapter may be combined with an assessment to a devolved tax.
- (3) A supplementary assessment may be made in respect of a penalty under section 119 or 120 if an earlier assessment operated by reference to an underestimate of the amount of devolved tax to which a person would have been liable if a tax return had been made.
- (4) If—
  - (a) an assessment in respect of a penalty under section 119 or 120 is based on the amount of devolved tax to which a person would have been liable if a tax return had been made, and

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*Changes to legislation: There are currently no known outstanding effects for the Tax Collection and Management (Wales) Act 2016, Section 127. (See end of Document for details)*

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- (b) that liability is found by WRA to be excessive,  
WRA may issue a notice to the person liable to the penalty amending the assessment so that it is based on the correct amount.
- (5) A supplementary assessment may be made in respect of a penalty under section 122 [F<sup>2</sup>, 122ZA][F<sup>3</sup> or 122A] if an earlier assessment operated by reference to an underestimate of the amount of devolved tax which was payable.
- (6) If an assessment in respect of a penalty under section 122 [F<sup>4</sup>, 122ZA][F<sup>5</sup> or 122A] is based on an amount of tax payable that is found by WRA to be excessive, WRA may issue a notice to the person liable to the penalty amending the assessment so that it is based on the correct amount.
- [F<sup>6</sup>(6A) A supplementary assessment may be made in respect of a penalty under section 123A if an earlier assessment operated by reference to an underestimate of the amount payable in respect of the tax credit in question.
- (6B) If an assessment in respect of a penalty under section 123A is based on an amount that is found by WRA to be excessive, WRA may issue a notice to the person liable to the penalty amending the assessment so that it is based on the correct amount.]
- (7) An amendment made under subsection (4) [F<sup>7</sup>, (6) or (6B)] —
- (a) does not affect when the penalty must be paid, and
  - (b) may be made after the last day on which the assessment in question could have been made under section 128.

#### Textual Amendments

- F1** Words in s. 127(1)(c) substituted (1.4.2018) by [The Landfill Disposals Tax \(Administration\) \(Wales\) Regulations 2018 \(S.I. 2018/101\)](#), reg. 1(2), **Sch. para. 27(2)**
- F2** Word in s. 127(5) inserted (1.4.2018) by [Landfill Disposals Tax \(Wales\) Act 2017 \(anaw 3\)](#), s. 97(2), **Sch. 4 para. 14(a)**; S.I. 2018/35, art. 3
- F3** Words in s. 127(5) inserted (1.4.2018) by [Land Transaction Tax and Anti-avoidance of Devolved Taxes \(Wales\) Act 2017 \(anaw 1\)](#), s. 81(2)(3), **Sch. 23 para. 46(a)**; S.I. 2018/34, art. 3
- F4** Word in s. 127(6) inserted (1.4.2018) by [Landfill Disposals Tax \(Wales\) Act 2017 \(anaw 3\)](#), s. 97(2), **Sch. 4 para. 14(b)**; S.I. 2018/35, art. 3
- F5** Words in s. 127(6) inserted (1.4.2018) by [Land Transaction Tax and Anti-avoidance of Devolved Taxes \(Wales\) Act 2017 \(anaw 1\)](#), s. 81(2)(3), **Sch. 23 para. 46(b)**; S.I. 2018/34, art. 3
- F6** S. 127(6A)(6B) inserted (1.4.2018) by [The Landfill Disposals Tax \(Administration\) \(Wales\) Regulations 2018 \(S.I. 2018/101\)](#), reg. 1(2), **Sch. para. 27(3)**
- F7** Words in s. 127(7) substituted (1.4.2018) by [The Landfill Disposals Tax \(Administration\) \(Wales\) Regulations 2018 \(S.I. 2018/101\)](#), reg. 1(2), **Sch. para. 27(4)**

#### Modifications etc. (not altering text)

- C1** Ss. 125-128 applied (1.4.2018) by [The Tax Collection and Management \(Reimbursement Arrangements\) \(Wales\) Regulations 2018 \(S.I. 2018/88\)](#), regs. 1(2), **8(3)**

#### Commencement Information

- I1** S. 127 in force at 1.4.2018 by [S.I. 2018/33](#), art. 3

**Changes to legislation:**

There are currently no known outstanding effects for the Tax Collection and Management (Wales) Act 2016, Section 127.