

REVENUE SCOTLAND AND TAX POWERS ACT 2014

EXPLANATORY NOTES

THE ACT

Part 8 – Penalties

Chapter 2 — Penalties for Failure to Make Returns Or Pay Tax

Penalties for failure to pay tax

Section 168 – Failure to pay tax

206. This section provides that a person is liable to a penalty where they fail to pay an amount of tax (“Amount of tax payable” in the table) on or before a certain date (“Date after which penalty incurred” in the table). Where a person’s failure either falls: a) within more than one amount of tax payable listed in the table; or b) within more than one provision in sections 169 to 173, the person is liable to a penalty for each of those amounts of tax and failures. Section 169 applies in relation to LBTT and sections 170 to 173 apply in relation to SLfT.

Section 169 – Land and buildings transaction tax: amounts of penalties for failure to pay tax

207. This section provides that the penalty amount for a penalty under section 168 in relation to LBTT is 5% of the unpaid tax. If any amount of tax is still unpaid five months after the person first became liable to a penalty under section 159, the person is liable to a further penalty of 5% of the outstanding amount. If any amount of tax is still unpaid 11 months after the person first became liable to a penalty under section 159, the person is liable to a further penalty of 5% of the outstanding amount.

Sections 170 to 173 – Scottish landfill tax: first penalty for failure to pay tax; penalties for multiple failures to pay tax; 6 month penalty for failure to pay tax; 12 month penalty for failure to pay tax

208. **Section 170** provides that the penalty amount for a penalty under section 168 in relation to SLfT is 1% of the unpaid tax. **Section 171** provides for additional (and higher) penalty amounts if the person fails to pay further amounts of tax on time within a specified penalty period. A penalty period is one which is begun under section 168(3) and, unless extended under section 171(2)(c), ends 12 months after the filing date for the return.
209. **Sections 172** and **173** provide that a person is liable to further tax-geared penalties if any amount of tax remains unpaid six and 12 months after the penalty date, as defined in section 159(4).