

SCHEDULES

SCHEDULE 53

LATE PAYMENT INTEREST

PART 2

SPECIAL PROVISION: LATE PAYMENT INTEREST START DATE

Amendments and discovery assessments etc

- 3 (1) This paragraph applies to any amount which is due and payable as a result of—
- (a) an amendment or correction to an assessment or self-assessment (“assessment A”),
 - (b) an assessment made by HMRC in place of or in addition to an assessment (“assessment A”) which was made by a taxpayer, or
 - (c) an assessment made by HMRC in place of an assessment (“assessment A”) which ought to have been made by a taxpayer.
- (2) The late payment interest start date in respect of that amount is the date which would have been the late payment interest start date if—
- (a) assessment A had been complete and accurate and had been made on the date (if any) by which it was required to be made, and
 - (b) accordingly, the amount had been due and payable as a result of assessment A.
- (3) In the case of a person (“P”) who failed to give notice as required under section 7 of TMA 1970 (notice of liability to tax), the reference in sub-paragraph (1)(c) to an assessment which ought to have been made by P is a reference to the assessment which P would have been required to make if an officer of Revenue and Customs had given notice under section 8 of that Act.
- (4) In this paragraph “assessment” means any assessment or determination (however described) of any amount due and payable to HMRC.

Amounts postponed pending appeal under TMA 1970

- 4 (1) This paragraph applies to any amount if payment of the amount is postponed under section 55 of TMA 1970 pending the determination of an appeal against an assessment of income tax or capital gains tax.
- (2) The late payment interest start date in respect of that amount is the date which would have been the late payment interest start date if there had been no appeal.

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Overpayment of tax

- 5 (1) This paragraph applies to any amount of income tax or capital gains tax which is assessed and recoverable by virtue of an assessment under section 30 of TMA 1970 (recovery of overpayment of tax etc).
- (2) The late payment interest start date in respect of that amount is 31 January next following the tax year in respect of which the assessment under section 30 is made.

Recovery of payment of tax credit or interest

- 6 In respect of any amount charged by an assessment mentioned in section 252(5) of ICTA (recovery of payment of tax credit or interest on such a payment), the late payment interest start date is the date when the payment of tax credit or interest was made.

Inheritance tax payable by instalments

- 7 (1) The late payment interest start date for each instalment of an amount to which this paragraph applies is the date on which that instalment is to be paid.
- (2) This paragraph applies to any amount of inheritance tax which is payable by instalments under section 229 of IHTA 1984.
- (3) This paragraph also applies to any amount of inheritance tax which is payable by instalments under section 227 of IHTA 1984 if the value on which the amount is payable is attributable to—
- (a) the value of qualifying property within subsection (2)(b) or (c) of that section (shares or securities, or business or interest in a business), or
 - (b) value treated as reduced under Chapter 2 of Part 5 of that Act.
- (4) But this paragraph does not apply to an amount by virtue of sub-paragraph (3)(a) if the qualifying property is shares or securities of a company which—
- (a) falls within sub-paragraph (5), but
 - (b) does not fall within sub-paragraph (6) or (7).
- (5) A company falls within this sub-paragraph if its business consists wholly or mainly of one or more of the following—
- (a) dealing in securities, stocks or shares, land or buildings, or
 - (b) making or holding investments.
- (6) A company falls within this sub-paragraph if its business consists wholly or mainly in being a holding company (as defined in section 1159 of the Companies Act 2006) of one or more companies not falling within sub-paragraph (5).
- (7) A company falls within this sub-paragraph if its business is carried on in the United Kingdom and is—
- (a) wholly that of a market maker, or
 - (b) that of a discount house.
- (8) A company is a market maker if—
- (a) it holds itself out at all normal times in compliance with the rules of The Stock Exchange as willing to buy and sell securities, stocks or shares at a price specified by it, and

- (b) it is recognised as doing so by the Council of The Stock Exchange.

Certain other amounts of inheritance tax

- 8 An amount of inheritance tax which is underpaid in consequence of any of the following provisions—
- (a) section 146(1) of IHTA 1984,
 - (b) section 19 of the Inheritance (Provision for Family and Dependants) Act 1975, or
 - (c) Article 21 of the Inheritance (Provision for Family and Dependants) (Northern Ireland) Order 1979,
- does not carry late payment interest before the order mentioned in that provision is made.
- 9 In the case of an amount which is payable under section 147(4) of IHTA 1984, the late payment interest start date is the day after the end of the period of 6 months beginning with the date of the testator’s death.

VAT due from persons not registered as required

- 10 (1) This paragraph applies where an amount of value added tax is due from a person (“P”) in respect of a period during which P was liable to be registered under VATA 1994 but was not registered.
- (2) The late payment interest start date in respect of the amount is the date which would have been the late payment interest date in respect of that amount if P had become registered when P had first become liable to be so.

Unauthorised VAT invoices

- 11 (1) This paragraph applies where an unauthorised person issues an invoice showing an amount as being value added tax or as including an amount attributable to value added tax.
- (2) The late payment interest start date in respect of the amount which is shown as being value added tax, or which is to be taken as representing value added tax, is the date of the invoice.
- (3) In this paragraph “unauthorised person” has the meaning given in paragraph 2 of Schedule 41 to FA 2008.

Death of taxpayer

- 12 (1) This paragraph applies if—
- (a) a person chargeable to an amount of revenue dies before the amount becomes due and payable, and
 - (b) the executor or administrator is unable to pay the amount before obtaining probate or letters of administration or (in Scotland) the executor is unable to pay the amount before obtaining confirmation.
- (2) The late payment interest start date in respect of that amount is the later of the following—

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- (a) the date which would be the late payment interest start date apart from this paragraph, and
- (b) the day after the end of the period of 30 days beginning with the grant of probate or letters of administration or (in Scotland) the grant of confirmation.