
STATUTORY INSTRUMENTS

1991 No. 889

INCOME TAX

INHERITANCE TAX

TAXES

The Taxes (Interest Rate) (Amendment) Regulations 1991

<i>Made</i>	- - - -	<i>4th April 1991</i>
<i>Laid before the House of Commons</i>	- - - -	<i>5th April 1991</i>
<i>Coming into force</i>	- -	<i>6th April 1991</i>

The Treasury, in exercise of the powers conferred on them by section 178 of the Finance Act 1989⁽¹⁾, hereby make the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Taxes (Interest Rate)(Amendment) Regulations 1991 and shall come into force on 6th April 1991.

Interpretation

2. In these Regulations “the Principal Regulations” means the Taxes (Interest Rate) Regulations 1989⁽²⁾.

Amendments to the Principal Regulations

3. For regulation 5 of the Principal Regulations there shall be substituted—

“Applicable rate of official rate of interest

5. For the purpose of section 160 of the Income and Corporation Taxes Act 1988⁽³⁾ the rate applicable under section 178 shall, on and after 6th April 1991, be 13.5 per cent. per annum.”

(1) 1989 c. 26.

(2) S.I.1989/1297.

(3) 1988 c. 1; section 160 was amended by section 53(2)(b) and (c) and section 179(1) of the Finance Act 1989.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

4. In regulation 6 of the Principal Regulations for“3(1), 4(1) or 5(1)” there shall be substituted“3(1) or 4(1)”.

4th April 1991

Norman Lamont
Thomas Sackville
Two of the Lords Commissioners of Her
Majesty’s Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend with effect from 6th April 1991 the provisions of the Taxes (Interest Rate) Regulations 1989 ([S.I.1989/1297](#)) (“the Principal Regulations”) which specify the method of determining the official rate of interest for the purposes of section 160 of the Income and Corporation Taxes Act 1988 (“section 160”) (taxation of beneficial loans made to employees). The official rate of interest determined under section 160 also determines the “appropriate percentage” for the purposes of the additional charge to tax in respect of certain living accommodation provided for employees under section 146 of the 1988 Act. The amendments disapply the formula for determining the level of the official rate of interest and specify the official rate for the purposes of section 160.

Regulation 1 provides for citation and commencement.

Regulation 2 defines the Principal Regulations.

Regulation 3 substitutes a new regulation 5 of the Principal Regulations which specifies the official rate of interest for the purposes of section 160 with effect from 6th April 1991.

Regulation 4 makes a consequential amendment to regulation 6 of the Principal Regulations.