



Finance Act 1967

1967 CHAPTER 54

PART VI

MISCELLANEOUS

40 Interest on unpaid tax.

- (1) The rate of interest prescribed by—
 - (a) section 495(1) of the Income Tax Act 1952 (interest on overdue tax),
 - (b) section 58(1) of the Finance Act 1960 (interest on tax recovered to make good loss due to taxpayer's default),
 - (c) section 8 of the Finance (No. 2) Act 1947 (interest on unpaid profits tax and excess profits tax), and
 - (d) paragraph 10(1) of Schedule 7 to the Finance Act 1960 (interest on profits tax recovered to make good loss due to taxpayer's default),shall, subject to the next following subsection, be 4 per cent. per annum (instead of 3 per cent. per annum).
- (2) The Treasury may, by order in a statutory instrument, subject to annulment in pursuance of a resolution of the Commons House of Parliament, from time to time increase or decrease the rate of interest prescribed by subsection (1) above, either for the purposes of all the enactments mentioned in that subsection, or so as to prescribe different rates for different purposes.
- (3) Subsection (1) above shall apply to interest for any period beginning on or after 19th April 1967 whether or not interest runs from before that date; and any variation of the rate of interest prescribed under subsection (2) above shall apply to interest for periods beginning on or after the date when the order is expressed to come into force, whether or not interest runs from before that date.
- (4) Interest charged under the said section 495(1) or the said section 58(1) shall be treated for the purposes—

Status: This is the original version (as it was originally enacted).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

- (a) of sections 74, 76, 78 and 79 of the Income Tax Act 1952 and of section 8 of the Income Tax Management Act 1964 (recovery of tax by distress or in court proceedings), and
 - (b) of section 35(2)(g)(i) of the Crown Proceedings Act 1947 (rules of court to impose restrictions on set-off and counterclaim where the proceedings, or set-off or counterclaim, relate to taxes) and of any rules of court (including county court rules) for England and Wales or Northern Ireland, made before or after the passing of this Act, which impose such a restriction, and
 - (c) of section 35(2)(b) of the said Act of 1947 as set out in section 50 of that Act (which imposes corresponding restrictions in Scotland),
- as if it were tax charged and due and payable under the assessment to which it relates.
- (5) In section 495(3)(b) of the Income Tax Act 1952 (exemption for interest not exceeding one pound) five pounds shall be substituted for one pound as respects tax becoming due and payable on or after 19th April 1967.
 - (6) Without prejudice to the general interpretative provisions of this Act, this section applies to the enactments mentioned in subsection (1) above as extended by any other enactment, and in particular—
 - (a) it applies to sections 495(1) of the Income Tax Act 1952 and section 58(1) of the Finance Act 1960 as extended to capital gains tax and corporation tax, and
 - (b) it applies to section 8 of the Finance (No. 2) Act 1947 as extended to the excess profits levy.