



Taxes Management Act 1970

1970 CHAPTER 9

PART II

RETURNS OF INCOME AND GAINS

Income tax

[^{F17} Notice of liability to income tax and capital gains tax.

- (1) Every person who—
 - (a) is chargeable to income tax or capital gains tax for any year of assessment, and
 - (b) has not received a notice under section 8 of this Act requiring a return for that year of his total income and chargeable gains,shall, subject to subsection (3) below, within six months from the end of that year, give notice to an officer of the Board that he is so chargeable.
- (2) In the case of a person who is chargeable as mentioned in subsection (1) above as a trustee of a settlement, that subsection shall have effect as if the reference to a notice under section 8 of this Act were a reference to a notice under section 8A of this Act.
- (3) A person shall not be required to give notice under subsection (1) above in respect of a year of assessment if for that year his total income consists of income from sources falling within subsections (4) to (7) below and he has no chargeable gains.
- (4) A source of income falls within this subsection in relation to a year of assessment if—
 - (a) all payments of, or on account of, income from it during that year, and
 - (b) all income from it for that year which does not consist of payments,have or has been taken into account in the making of deductions or repayments of tax under section 203 of the principal Act.
- (5) A source of income falls within this subsection in relation to any person and any year of assessment if all income from it for that year has been or will be taken into account—
 - (a) in determining that person's liability to tax, or

Status: Point in time view as at 31/03/1995.

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- (b) in the making of deductions or repayments of tax under section 203 of the principal Act.
- (6) A source of income falls within this subsection in relation to any person and any year of assessment if all income from it for that year is—
 - (a) income from which income tax has been deducted;
 - (b) income from or on which income tax is treated as having been deducted or paid; or
 - (c) income chargeable under Schedule F,
 and that person is not for that year liable to tax at a rate other than the basic rate or the lower rate.
- (7) A source of income falls within this subsection in relation to any person and any year of assessment if all income from it for that year is income from which he could not become liable to tax under a self-assessment made under section 9 of this Act in respect of that year.
- (8) If any person, for any year of assessment, fails to comply with subsection (1) above, he shall be liable to a penalty not exceeding the amount of the tax—
 - (a) in which he is assessed under section 9 or 29 of this Act in respect of that year, and
 - (b) which is not paid on or before the 31st January next following that year.]

Textual Amendments

- F1** S. 7 substituted (with effect as respects the year 1995-96 and subsequent years of assessment) by [Finance Act 1994 \(c. 9\)](#), s. 199(2)(3), [Sch. 19 para. 1\(1\)\(2\)](#); [S.I. 1998/3173](#), art. 2

[^{F2}8] **Personal return.**

- [^{F3}(1) For the purpose of establishing the amounts in which a person is chargeable to income tax and capital gains tax for a year of assessment, he may be required by a notice given to him by an officer of the Board—
- (a) to make and deliver to the officer, on or before the day mentioned in subsection (1A) below, a return containing such information as may reasonably be required in pursuance of the notice, and
 - (b) to deliver with the return such accounts, statements and documents, relating to information contained in the return, as may reasonably be so required.
- (1A) The day referred to in subsection (1) above is—
- (a) the 31st January next following the year of assessment, or
 - (b) where the notice under this section is given after the 31st October next following the year, the last day of the period of three months beginning with the day on which the notice is given.
- (1B) In the case of a person who carries on a trade, profession, or business in partnership with one or more other persons, a return under this section shall include each amount which, in any relevant statement, is stated to be equal to his share of any income, loss or charge for the period in respect of which the statement is made.

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- (1C) In subsection (1B) above “relevant statement” means a statement which, as respects the partnership, falls to be made under section 12AB of this Act for a period which includes, or includes any part of, the year of assessment or its basis period.]
- (2) Every return under this section shall include a declaration by the person making the return to the effect that the return is to the best of his knowledge correct and complete.
- (3) A notice under this section may require different information, accounts and statements for different periods or in relation to different descriptions of source of income.
- (4) Notices under this section may require different information, accounts and statements in relation to different descriptions of person.]

Textual Amendments

- F2** Ss 8, 8A, 9 substituted for ss, 8, 9 (with effect where a notice to deliver a return was, or falls to be, given after 5.4.1990) by [Finance Act 1990 \(c. 29\)](#), [s. 90\(1\)\(5\)](#)
- F3** S. 8(1)-(1C) substituted for s. 8(1) (with effect in accordance with [s. 199\(2\)\(3\)](#) of the amending Act) by [Finance Act 1994 \(c. 9\)](#), [s. 178\(1\)](#); S.I. 1998/3173, [art. 2](#)

Modifications etc. (not altering text)

- C1** S. 8 modified (6.3.1992 with effect as mentioned in [s. 289\(1\)\(2\)](#) of the amending Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), [ss. 3\(6\)\(b\)](#), 289 (with [ss. 60](#), [101\(1\)](#), [171](#), [201\(3\)](#))
- C2** See—[Finance Act 1974 s. 24](#)—*notice may require particulars of emoluments of certain employments etc. under non-residents duties performed for benefit of a person resident or trading etc., in the United Kingdom. [Capital Gains Tax Act 1979 \(c. 14, SIF 63:2\)](#) S. 5(5) and Sch. 1—*return of small deposits and gains.* [Capital Allowances Act 1990 \(c. 1, SIF 63:1\)](#) s. 140(3)—*inclusion in returns of income of any claim for capital allowances.**

[^{F2}8A Trustee’s return.

- [^{F4}(1) For the purpose of establishing the amounts in which a trustee of a settlement, and the settlors and beneficiaries, are chargeable to income tax and capital gains tax for a year of assessment, an officer of the Board may by a notice given to the trustee require the trustee—
- (a) to make and deliver to the officer, on or before the day mentioned in subsection (1A) below, a return containing such information as may reasonably be required in pursuance of the notice, and
- (b) to deliver with the return such accounts, statements and documents, relating to information contained in the return, as may reasonably be so required;
- and a notice may be given to any one trustee or separate notices may be given to each trustee or to such trustees as the officer thinks fit.
- (1A) The day referred to in subsection (1) above is—
- (a) the 31st January next following the year of assessment, or
- (b) where the notice under this section is given after the 31st October next following the year, the last day of the period of three months beginning with the day on which the notice is given.]
- (2) Every return under this section shall include a declaration by the person making the return to the effect that the return is to the best of his knowledge correct and complete.

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- (3) A notice under this section may require different information, accounts and statements for different periods or in relation to different descriptions of source of income.
- (4) Notices under this section may require different information, accounts and statements in relation to different descriptions of settlement.]

Textual Amendments

- F2** Ss 8, 8A, 9 substituted for ss, 8, 9 (with effect where a notice to deliver a return was, or falls to be, given after 5.4.1990) by [Finance Act 1990 \(c. 29\)](#), [s. 90\(1\)\(5\)](#)
- F4** S. 8A(1)(1A) substituted for s. 8A(1) (with effect in accordance with s. 199(2)(3) of the amending Act) by [Finance Act 1994 \(c. 9\)](#), [s. 178\(2\)](#); [S.I. 1998/3173](#), art. 2

[^{F59} Returns to include self-assessment.

- (1) Subject to subsection (2) below, every return under section 8 or 8A of this Act shall include an assessment (a self-assessment) of the amounts in which, on the basis of the information contained in the return, the person making the return is chargeable to income tax and capital gains tax for the year of assessment.
- (2) A person shall not be required to comply with subsection (1) above if he makes and delivers his return for a year of assessment—
 - (a) on or before the 30th September next following the year, or
 - (b) where the notice under section 8 or 8A of this Act is given after the 31st July next following the year, within the period of two months beginning with the day on which the notice is given.
- (3) Where, in making and delivering a return, a person does not comply with subsection (1) above, an officer of the Board shall if subsection (2) above applies, and may in any other case—
 - (a) make the assessment on his behalf on the basis of the information contained in the return, and
 - (b) send him a copy of the assessment so made;
 and references in the following provisions of this Act to a person's self-assessment include references to an assessment made on a person's behalf under this subsection.
- (4) Subject to subsection (5) below—
 - (a) at any time before the end of the period of nine months beginning with the day on which a person's return is delivered, an officer of the Board may by notice to that person so amend that person's self-assessment as to correct any obvious errors or mistakes in the return (whether errors of principle, arithmetical mistakes or otherwise); and
 - (b) at any time before the end of the period of twelve months beginning with the filing date, a person may by notice to an officer of the Board so amend his self-assessment as to give effect to any amendments to his return which he has notified to such an officer.
- (5) No amendment of a self-assessment may be made under subsection (4) above at any time during the period—
 - (a) beginning with the day on which an officer of the Board gives notice of his intention to enquire into the return, and

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- (b) ending with the day on which the officer's enquiries into the return are completed.
- (6) In this section and section 9A of this Act "the filing date" means the day mentioned in section 8(1A) or, as the case may be, section 8A(1A) of this Act.]

Textual Amendments

- F5** S. 9 substituted (with effect in accordance with s. 199(2)(3) of the amending Act) by [Finance Act 1994 \(c. 9\), s. 179; S.I. 1998/3173](#), art. 2

[^{F6}9A Power to enquire into returns.

- (1) An officer of the Board may enquire into—
 - (a) the return on the basis of which a person's self-assessment was made under section 9 of this Act, or
 - (b) any amendment of that return on the basis of which that assessment has been amended by that person,if, before the end of the period mentioned in subsection (2) below, he gives notice in writing to that person of his intention to do so.
- (2) The period referred to in subsection (1) above is—
 - (a) in the case of a return delivered or amendment made on or before the filing date, the period of twelve months beginning with that date;
 - (b) in the case of a return delivered or amendment made after that date, the period ending with the quarter day next following the first anniversary of the day on which the return or amendment was delivered or made;and the quarter days for the purposes of this subsection are 31st January, 30th April, 31st July and 31st October.
- (3) A return or amendment which has been enquired into under subsection (1) above shall not be the subject of a further notice under that subsection.]

Textual Amendments

- F6** S. 9A inserted (with effect in accordance with s. 199(2)(3) of the amending Act) by [Finance Act 1994 \(c. 9\), s. 180; S.I. 1998/3173](#), art. 2

Corporation tax

[^{F7}10 Notice of liability to corporation tax.

- (1) Every company which is chargeable to corporation tax for any accounting period and has neither—
 - (a) made a return of its profits for that period, nor
 - (b) received a notice under section 11 of this Act requiring such a return,shall, within twelve months from the end of that period, give notice to the inspector that it is so chargeable.

Status: Point in time view as at 31/03/1995.

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- (2) If any company, for any accounting period ending on or before the appointed day, fails to comply with subsection (1) above, it shall be liable to a penalty not exceeding the amount of the corporation tax for which it is liable, in respect of its profits for that period, under assessments made more than twelve months after the end of that period.
- (3) If any company, for any accounting period ending after the appointed day, fails to comply with subsection (1) above, it shall be liable to a penalty not exceeding the amount by which so much of the corporation tax chargeable on its profits for that period as remains unpaid for twelve months after the end of that period exceeds any income tax [^{F8}which, under section 7(2) or 11(3) of the principal Act, is to be set off against the corporation tax so chargeable].
- (4) In determining—
- (a) for the purposes of subsection (2) above, for how much corporation tax a company is liable, in respect of its profits for an accounting period, under assessments made more than twelve months after the end of that period; or
- (b) for the purposes of subsection (3) above, how much of the corporation tax chargeable on the profits of a company for an accounting period remained unpaid at the time of any failure to comply with subsection (1) above,
- no account shall be taken of the discharge of any liability for that tax which, pursuant to a claim under subsection (3) of section 239 of the principal Act, is attributable to an amount of surplus advance corporation tax, as defined in that subsection.
- (5) In this section “the appointed day” means the day appointed for the purposes of section 8(3) of the principal Act.]

Textual Amendments

- F7** S. 10 substituted (with effect in respect of notices given for accounting periods ending after 31.3.1989) by [Finance Act 1988 \(c. 39\), s. 121](#)
- F8** Words in s. 10(3) substituted (27.7.1993) by [1993 c. 34, s. 120, Sch. 14 para.1](#)

11 Return of profits.

- (1) A company may be required by a notice served on the company by an ^{F9}... officer of the Board to deliver to the officer [^{F10}not later than the final day determined under subsection (4) below a return [^{F11}such information as may [^{F12}reasonably] be required in pursuance of the notice together with such accounts, statements and reports as may [^{F12}reasonably] be so required.
- (1A) The information which a company may [^{F13}reasonably] be required to supply under this section is information which is relevant to the application of the Corporation Tax Acts to the company; and the accounts, statements and reports which a company may [^{F13}reasonably] be so required to supply are accounts, statements and reports which are so relevant.]]
- [^{F14}(2) A notice under this section may require a return [^{F15}for] any period specified in the notice (in this subsection referred to as “the specified period”) but, if the specified period does not coincide with an accounting period of the company and the company is within the charge to corporation tax in the whole or some part of the specified period, then—

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- (a) if an accounting period of the company ends in or at the end of the specified period, the notice shall be taken to require a return for that accounting period or, if there is more than one, for each of them;
- (b) if no accounting period of the company ends in or at the end of the specified period but there is a part of the specified period which does not fall within an accounting period of the company, the notice shall be taken to require a return for that part of the specified period; and
- (c) if the specified period begins in or at the beginning of an accounting period of the company and ends before the end of that period, the notice shall be of no effect and, accordingly, the company shall not be required to make any return pursuant to it.]

[^{F16}(2A) In the case of a company which carries on a trade, profession or business in partnership with one or more other persons, a return under this section shall include each amount which, in any relevant statement, is stated to be equal to its share of any income, loss or charge for the period in respect of which the statement is made.

(2B) In subsection (2A) above “relevant statement” means a statement which, as respects the partnership, falls to be made under section 12AB of this Act for a period which includes, or includes any part of, the period in respect of which the return is required.]

(3) Every return under this section shall include a declaration [^{F17}by the person making the return] to the effect that the return is [^{F17}to the best of his knowledge] correct and complete .

[^{F18}(4) Subject to subsection (5) below, the final day for the delivery of any return required by a notice under this section shall be whichever is the later of—

- (a) the first anniversary of the last day of the period to which the return relates;
- (b) the first anniversary of the last day of that period of account of the company in which falls the last day of the accounting period (if any) to which the return relates; and
- (c) the end of the period of three months beginning on the day following that on which the notice was served.

(5) In paragraph (b) of subsection (4) above “period of account” has the same meaning as in the principal Act, but for the purposes of that paragraph the last day of a period of account which is longer than eighteen months shall be treated as the day on which expires the period of eighteen months beginning on the first day of the period of account.

(6) In relation to a company which—

- (a) is resident in the United Kingdom throughout the period to which the return relates (in this subsection referred to as “the return period”); and
- (b) is required under the Companies Act 1985 to prepare accounts for a period consisting of or including the return period,

the reference to accounts in subsection (1) above is a reference only to such accounts, containing such particulars and having annexed to them such documents, as are required under that Act to be so prepared.

^{F19}(7)

(8) Different information, accounts, statements and reports may be required in pursuance of a notice under this section in relation to different descriptions of company ^{F20}...

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[^{F21}(8A) A return under this section shall be amended by the company delivering to the inspector a document in such form, containing such information and accompanied by such statements as the Board may require.]

(9) In the application of this section to a company registered in Northern Ireland, references to the Companies Act 1985 shall be construed as references to the Companies (Northern Ireland) Order 1986.]

Textual Amendments

- F9** Words in s. 11(1) repealed (with effect in accordance with s. 199(2)(3) of the amending Act) by [Finance Act 1994 \(c. 9\)](#), [Sch. 26 Pt. 5\(23\)](#); S.I. 1998/3173, art. 2
- F10** [Finance \(No. 2\) Act 1987 \(c. 51\)](#), s. 82(2); S.I. 1992/3066, art. 3
- F11** [Finance Act 1990 \(c. 29\)](#), s. 91(2); S.I. 1992/3066, art. 3
- F12** Word in s. 11(1) inserted (with effect in accordance with s. 199(2)(3) of the amending Act) by [Finance Act 1994 \(c. 9\)](#), [s. 181\(1\)](#); S.I. 1998/3173, art. 2
- F13** Word in s. 11(1A) inserted (with effect in accordance with s. 199(2)(3) of the amending Act) by [Finance Act 1994 \(c. 9\)](#), [s. 181\(2\)](#); S.I. 1998/3173, art. 2
- F14** [Finance \(No. 2\) Act 1987 \(c. 51\)](#), [s. 82\(3\)](#); S.I. 1992/3066, art. 3
- F15** [Finance Act 1990 \(c. 29\)](#), [s. 91\(3\)](#); S.I. 1992/3066, art. 3
- F16** S. 11(2A)(2B) inserted (with effect in accordance with s. 199(2)(3) of the amending Act) by [Finance Act 1994 \(c. 9\)](#), [s. 181\(3\)](#); S.I. 1998/3173, art. 2
- F17** [Finance Act 1990](#) s. 91(4), (8) *with respect to any notice served on or after 26 July 1990.*
- F18** S. 11(4)-(9) substituted for s. 11(4)-(6) by [Finance \(No. 2\) Act 1987 \(c. 51\)](#), [s. 82\(4\)](#); S.I. 1992/3066, [art. 3](#)
- F19** [Finance Act 1990 \(c. 29\)](#), [s. 91\(5\)](#); S.I. 1992/3066, art. 3
- F20** [Finance Act 1990 \(c. 29\)](#), [s. 91\(6\)](#); S.I. 1992/3066, art. 3
- F21** [Finance Act 1990 \(c. 29\)](#), s. 91(7); S.I. 1992/3066, art. 3

Modifications etc. (not altering text)

- C3** See—[Finance \(No. 2\) Act 1987 \(c. 51\)](#), [ss. 82\(2\)\(3\)\(4\)](#), [95\(2\)\(3\)](#); [Income and Corporation Taxes Act 1988 \(c. 1\)](#), [Sch. 29 para. 10\(1\)](#); [Finance Act 1990 \(c. 29\)](#), [s. 91](#) for modifications in the event of a notice being served after a day to be appointed.

^{F22}11A Notice of liability to capital gains tax.

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Textual Amendments

- F22** S. 11A repealed (with effect in accordance with s. 199(2)(3) of the amending Act) by [Finance Act 1994 \(c. 9\)](#), [Sch. 26 Pt. 5\(23\)](#); S.I. 1998/3173, art. 2

[^{F23}11AA Return of profits to include self-assessment.

- (1) Every return under section 11 of this Act for an accounting period shall include an assessment (a self-assessment) of the amount in which, on the basis of the information contained in the return, the company is chargeable to corporation tax for that period.
- (2) Subject to subsection (3) below—

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- (a) at any time before the end of the period of nine months beginning with the day on which a company's return is delivered, an officer of the Board may by notice to the company so amend the company's self-assessment as to correct any obvious errors or mistakes in the return (whether errors of principle, arithmetical mistakes or otherwise); and
 - (b) at any time before the end of the period of twelve months beginning with the filing date, a company may by notice to an officer of the Board so amend its self-assessment as to give effect to any amendments to its return which it has notified to such an officer.
- (3) No amendment of a self-assessment may be made under subsection (2) above at any time during the period—
- (a) beginning with the day on which an officer of the Board gives notice of his intention to enquire into the return, and
 - (b) ending with the day on which the officer's enquiries into the return are completed.
- (4) In this section and section 11AB of this Act "the filing date" means the day mentioned in section 11(4) of this Act.]

Textual Amendments

F23 S. 11AA inserted (with effect in accordance with s. 199(2)(3) of the amending Act) by [Finance Act 1994 \(c. 9\), s. 182](#); [S.I. 1998/3173](#), art. 2

[^{F24}11AB Power to enquire into return of profits.

- (1) An officer of the Board may enquire into—
 - (a) the return on the basis of which a company's self-assessment was made under section 11AA of this Act, or
 - (b) any amendment of that return on the basis of which that assessment was amended under subsection (2)(b) of that section,if, before the end of the period mentioned in subsection (2) below, he gives notice in writing to the company of his intention to do so.
- (2) The period referred to in subsection (1) above is—
 - (a) in the case of a return delivered or amendment made on or before the filing date, the period of twelve months beginning with that date;
 - (b) in the case of a return delivered or amendment made after that date, the period ending with the quarter day next following the first anniversary of the day on which the return or amendment was delivered or made;and the quarter days for the purposes of this subsection are 31st January, 30th April, 31st July and 31st October.
- (3) A return or amendment which has been enquired into under subsection (1) above shall not be the subject of a further notice under that subsection.]

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Textual Amendments

- F24** S. 11AB inserted (with effect in accordance with s. 199(2)(3) of the amending Act) by [Finance Act 1994 \(c. 9\), s. 183](#); S.I. 1998/3173, art. 2

12 Information about chargeable gains.

^{F25}(1)

(2) A notice under section 8 [^{F26}or section 8A] or section 11 of this Act may require particulars of any assets acquired by the person on whom the notice was served (or if the notice relates to income or chargeable gains of some other person, of any assets acquired by that other person) in the period specified in the notice (being a period beginning not earlier than 6th April 1965) but excluding—

^{F27}(a) any assets exempted by the following provisions of the [^{F28}1992 Act], namely—

(i) section [^{F29}51(1)] (rights to winnings from pool betting, lotteries or games with prizes),

(ii) section [^{F30}121] (government non-marketable securities),

(iii) section [^{F31}263, 268 or 269] (passenger vehicles, decorations for valour or gallant conduct and foreign currency for personal expenditure)], or

(b) unless the amount or value of the consideration for its acquisition exceeded [^{F32}£6,000], any asset which is tangible movable property and is not within the exceptions in [^{F27}section [^{F33}262(6)]] of the said Act (terminal markets and currency), or

(c) any assets acquired as trading stock.

(3) The particulars required under this section may include particulars of the person from whom the asset was acquired, and of the consideration for the acquisition.

^{F34}(4)

(5) In this section “trading stock” has the meaning given by section [^{F35}100(2)] of the principal Act.

Textual Amendments

- F25** S. 12(1) repealed (with effect in accordance with s. 199(2)(3) of the amending Act) by [Finance Act 1994 \(c. 9\), Sch. 26 Pt. 5\(23\)](#); S.I. 1998/3173, art. 2

- F26** Finance Act 1990 s. 90(2)(b), (5) *where a notice to deliver a return was, or falls to be given after 5 April 1990.*

- F27** [Capital Gains Tax Act 1979 \(c. 14\), s. 157\(2\), Sch. 7 paras. 1\(2\), 9](#) for 1979-80 *et seq.*

- F28** Words in s. 12(2)(a) substituted (6.3.1992 with effect as mentioned in s. 289(1)(2) of the substituting Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\), ss. 289, 290, Sch. 10 para. 3\(a\)](#) (with ss. 60, 101(1), 171, 201(3))

- F29** Words in s. 12(2)(a)(i) substituted (6.3.1992 with effect as mentioned in s. 289(1)(2) of the substituting Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\), ss. 289, 290, Sch. 10 para. 3\(b\)](#) (with ss. 60, 101(1), 171, 201(3))

- F30** Words in s. 12(2)(a)(ii) substituted (6.3.1992 with effect as mentioned in s. 289(1)(2) of the substituting Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\), ss. 289, 290, Sch. 10 para. 2\(3\)\(c\)](#) (with ss. 60, 101(1), 171, 201(3))

Status: Point in time view as at 31/03/1995.

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- F31** Words in s. 12(2)(a)(iii) substituted (6.3.1992 with effect as mentioned in s. 289(1)(2) of the substituting Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, [Sch. 10 para. 2\(3\)\(d\)](#) (with ss. 60, 101(1), 171, 201(3))
- F32** Finance Act 1989 s. 123 *in relation to assets acquired on or after 6 April 1989. Previously “£3000”*
- F33** Words in s. 12(2)(b) substituted (6.3.1992 with effect as mentioned in s. 289(1)(2) of the substituting Act) by [Taxation and Chargeable Gains Act 1992 \(c. 12\)](#) ss. 289, 290, Sch. 10 para. 2(3)(e) (with ss. 60, 101(1), 171, 201(3))
- F34** S. 12(4) repealed (with effect in accordance with s. 199(2)(3) of the amending Act) by [Finance Act 1994 \(c. 9\)](#), [Sch. 26 Pt. 5\(23\)](#); S.I. 1998/3173, art. 2
- F35** [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#) Sch. 29 para. 32.

Modifications etc. (not altering text)

- C4** See Finance Act 1990 s. 39—*power to call for a return in connection with claims for roll-over relief on disposal of shares to employee share ownership trusts.*

f³⁶ Partnerships

Textual Amendments

- F36** S. 12AA and cross-heading inserted (with effect in accordance with s. 199(2)(3) of the amending Act) by [Finance Act 1994 \(c. 9\)](#), [s. 184](#); S.I. 1998/3173, art. 2

12AA Partnership return.

- (1) Where a trade, profession or business is carried on by two or more persons in partnership, for the purpose of facilitating—
- the assessment to income tax for a year of assessment, and
 - the assessment to corporation tax for any period,
- of each partner who is liable to be so assessed, an officer of the Board may act under subsection (2) or (3) below (or both).
- (2) An officer of the Board may by a notice given to the partners require such person as is identified in accordance with rules given with the notice—
- to make and deliver to the officer in respect of such period as may be specified in the notice, on or before such day as may be so specified, a return containing such information as may reasonably be required in pursuance of the notice, and
 - to deliver with the return such accounts and statements as may reasonably be so required.
- (3) An officer of the Board may by notice given to any partner require the partner—
- to make and deliver to the officer in respect of such period as may be specified in the notice, on or before such day as may be so specified, a return containing such information as may reasonably be required in pursuance of the notice, and
 - to deliver with the return such accounts and statements as may reasonably be so required;
- and a notice may be given to any one partner or separate notices may be given to each partner or to such partners as the officer thinks fit.

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- (4) In the case of a partnership which includes one or more individuals, the day specified in a notice under subsection (2) or (3) above shall not be earlier than—
- (a) the 31st January next following the year of assessment concerned, or
 - (b) where the notice under this section is given after the 31st October next following the year, the last day of the period of three months beginning with the day on which the notice is given.
- (5) In the case of a partnership which includes one or more companies, the day specified in a notice under subsection (2) or (3) above shall not be earlier than—
- (a) the first anniversary of the end of the relevant period, or
 - (b) where the notice under this section is given more than nine months after the end of the relevant period, the last day of the period of three months beginning with the day on which the notice is given;
- and the relevant period for the purposes of this subsection and subsection (6) below is the period in respect of which the return is required.
- (6) Every return under this section shall include—
- (a) a declaration of the name, residence and tax reference of each of the persons who have been partners—
 - (i) for the whole of the relevant period, or
 - (ii) for any part of that period,
 and, in the case of a person falling within sub-paragraph (ii) above, of the part concerned; and
 - (b) a declaration by the person making the return to the effect that it is to the best of his knowledge correct and complete.
- (7) Every return under this section shall also include, if the notice under subsection (2) or (3) above so requires—
- (a) with respect to any disposal of partnership property during a period to which any part of the return relates, the like particulars as if the partnership were liable to tax on any chargeable gain accruing on the disposal, and
 - (b) with respect to any acquisition of partnership property, the particulars required under section 12(2) of this Act.
- (8) A notice under this section may require different information, accounts and statements for different periods or in relation to different descriptions of source of income.
- (9) Notices under this section may require different information, accounts and statements in relation to different descriptions of partnership.
- (10) In this section “residence”, in relation to a company, means its registered office.]

[^{F37}12AB Partnership return to include partnership statement.

- (1) Every return under section 12AA of this Act shall include a statement (a partnership statement) of the following amounts, namely—
- (a) in the case of each period of account ending within the period in respect of which the return is made—
 - (i) the amount of income or loss from each source which, on the basis of the information contained in the return, has accrued to or has been sustained by the partnership for that period, and

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- (ii) the amount of each charge which, on that basis, was a charge on the income of the partnership for that period; and
 - (b) in the case of each such period and each of the partners, the amount which, on that basis, is equal to his share of that income, loss or charge.
- (2) Subject to subsection (3) below—
 - (a) at any time before the end of the period of nine months beginning with the day on which a person’s return is delivered, an officer of the Board may by notice to that person so amend that person’s partnership statement as to correct any obvious errors or mistakes in the return (whether errors of principle, arithmetical mistakes or otherwise); and
 - (b) at any time before the end of the period of twelve months beginning with the filing date, a person may by notice to an officer of the Board so amend his partnership statement as to give effect to any amendments to his return which he has notified to such an officer.
- (3) No amendment of a partnership statement may be made under subsection (2) above at any time during the period—
 - (a) beginning with the day on which an officer of the Board gives notice of his intention to enquire into the return, and
 - (b) ending with the day on which the officer’s enquiries into the return are completed.
- (4) Where a partnership statement is amended under subsection (2) above, the officer shall by notice to the partners so amend their self-assessments under section 9 or 11AA of this Act as to give effect to the amendments of the partnership statement.
- (5) In this section—
 - “filing date” means the day specified in the notice under subsection (2) or, as the case may be, subsection (3) of section 12AA of this Act;
 - “period of account”, in relation to a partnership, means any period for which accounts are drawn up.]

Textual Amendments

F37 S. 12AB inserted (with effect in accordance with s. 199(2)(3) of the amending Act) by [Finance Act 1994 \(c. 9\), s. 185; S.I. 1998/3173](#), art. 2

^{F38} **12ABZA Returns relating to LLP not carrying on business etc with view to profit**

- (1) This section applies where—
 - (a) a person delivers a purported partnership return (“the relevant return”) in respect of a period (“the relevant period”),
 - (b) the relevant return—
 - (i) is made on the basis that the activities of a limited liability partnership (“the LLP”) are treated, under section 863 of ITTOIA 2005 or section 1273 of CTA 2009, as carried on in partnership by its members (“the purported partnership”), and
 - (ii) relates to the purported partnership, but

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- (c) the LLP does not carry on a business with a view to profit in the relevant period (and, accordingly, its activities are not treated as mentioned in paragraph (b) (i)).
- (2) For the purposes of the relevant enactments, treat the relevant return as a partnership return (and, accordingly, anything done under a relevant enactment in connection with the relevant return has the same effect as it would have if done in connection with a partnership return in a corresponding partnership case).
- (3) “Relevant enactment” means—
 - (a) any of the following—
 - (i) sections 12AC and 28B (enquiries into partnership returns),
 - (ii) Part 4 of FA 2014 (follower notices and accelerated payment notices),
 - and
 - (b) any enactment relating to, or applying for the purposes of, an enactment within paragraph (a).
- (4) In relation to the relevant return, the relevant enactments apply with the necessary modifications, including in particular the following—
 - (a) “partner” includes purported partner, and
 - (b) “partnership” includes the purported partnership.
- (5) In this section—
 - “business” includes trade or profession;
 - “corresponding partnership case” means a corresponding case in which the limited liability partnership in question carries on a business with a view to profit in the relevant period;
 - “purported partner” means any person who was a member of the LLP in the relevant period;
 - “purported partnership return” means anything that—
 - (a) purports to be a partnership return, and
 - (b) is in a form, and is delivered in a way, that a partnership return could have been made and delivered in a corresponding partnership case.]

Textual Amendments

F38 S. 12ABZAA inserted (retrospective) by [Finance Act 2020 \(c. 14\)](#), [s. 104\(1\)\(2\)](#) (with [s. 104\(3\)](#))

[^{F39}12AC] Power to enquire into partnership return.

- (1) An officer of the Board may enquire into—
 - (a) the return on the basis of which a person’s partnership statement was made under section 12AB of this Act, or
 - (b) any amendment of that return on the basis of which that statement has been amended by that person,
 if, before the end of the period mentioned in subsection (2) below, he gives notice in writing of his intention to do so to that person or any successor of that person.
- (2) The period referred to in subsection (1) above is—
 - (a) in the case of a return delivered or amendment made on or before the filing date, the period of twelve months beginning with that date;

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- (b) in the case of a return delivered or amendment made after that date, the period ending with the quarter day next following the first anniversary of the day on which the return or amendment was delivered or made;
- and the quarter days for the purposes of this subsection are 31st January, 30th April, 31st July and 31st October.
- (3) The giving of notice under subsection (1) above at any time shall be deemed to include the giving of notice under section 9A(1) or, as the case may be, section 11AB(1) of this Act to each partner who—
- (a) at that time, has made a return under section 9 or 11 of this Act, or
- (b) at any subsequent time, makes such a return.
- (4) A return or amendment which has been enquired into under subsection (1) above shall not be the subject of a further notice under that subsection.
- (5) In this section “the filing date” means the day specified in the notice under subsection (2) or, as the case may be, subsection (3) of section 12AA of this Act.
- (6) In this Act “successor”, in relation to a person who—
- (a) has made and delivered a return under section 12AA of this Act, but
- (b) is no longer a partner or is otherwise no longer available,
- means such other partner who may at any time be nominated for the purposes of this subsection by the majority of the partners at that time, and “predecessor” and “successor”, in relation to a person so nominated, shall be construed accordingly.]

Textual Amendments

F39 S. 12AC inserted (with effect in accordance with s. 199(2)(3) of the amending Act) by [Finance Act 1994 \(c. 9\), s. 186](#); [S.I. 1998/3173](#), art. 2

^{F40}European Economic Interest Groupings

Textual Amendments

F40 S. 12A and cross-heading inserted (1.7.1989) by [Finance Act 1990 \(c. 29\), s. 69, Sch. 11 paras. 2, 5](#)

12A European Economic Interest Groupings.

- (1) In this section “grouping” means a European Economic Interest Grouping formed in pursuance of Council Regulation ([EEC](#)) No. 2137/85 of 25th July 1985 (“the Council Regulation”), whether registered in Great Britain, in Northern Ireland, or elsewhere.
- (2) For the purposes of [^{F41}securing that members of a grouping are assessed to income tax and capital gains tax or (as the case may be) corporation tax], an inspector may act under subsection (3) or (4) below.
- (3) In the case of a grouping which is registered in Great Britain or Northern Ireland or has an establishment registered in Great Britain or Northern Ireland, and inspector may by a notice given to the grouping require the grouping—

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- (a) to make and deliver to the inspector within the time limited by the notice a return containing such information as may be required in pursuance of the notice, and
 - (b) to deliver with the return such accounts and statements as may be required in pursuance of the notice.
- (4) In the case of any other grouping, an inspector may by a notice given to any member of the grouping resident in the United Kingdom, or if none is to any member of the grouping, require the member—
- (a) to make and deliver to the inspector within the time limited by the notice a return containing such information as may be required in pursuance of the notice, and
 - (b) to deliver with the return such accounts and statements as may be required in pursuance of the notice,
- and a notice may be given to any one of the members concerned or separate notices may be given to each of them or to such of them as the inspector thinks fit.
- (5) Every return under this section shall include a declaration by the grouping or member making the return to the effect that the return is to the best of the maker's knowledge correct and complete.
- (6) A notice under this section may require different information, accounts and statements for different periods, in relation to different descriptions of income or gains or in relation to different descriptions of member.
- (7) Notices under this section may require different information, accounts and statements in relation to different descriptions of grouping.
- (8) Subject to subsection (9) below, where a notice is given under subsection (3) above, everything required to be done shall be done by the grouping acting through its manager or, where there is more than one, any of them; but where the manager of a grouping (or each of them) is a person other than an individual, the grouping shall act through the individual, or any of the individuals, designated in accordance with the Council Regulation as the representative of the manager (or any of them).
- (9) Where the contract for the formation of a grouping provides that the grouping shall be validly bound only by two or more managers acting jointly, any declaration required by subsection (5) above to be included in a return made by a grouping shall be given by the appropriate number of managers.]

Textual Amendments

F41 Words in s. 12A(2) substituted (with effect in accordance with s. 199(2)(3) of the amending Act) by [Finance Act 1994 \(c. 9\)](#), [Sch. 19 para. 2](#); [S.I. 1998/3173](#), art. 2

[^{F42}Records

Textual Amendments

F42 S. 12B and cross-heading inserted (with effect in accordance with s. 199(2)(3) of the amending Act) by [Finance Act 1994 \(c. 9\)](#), [Sch. 19 para. 3](#); [S.I. 1998/3173](#), art. 2

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12B Records to be kept for purposes of returns.

- (1) Any person who may be required by a notice under section 8, 8A, 11 or 12AA of this Act (or under any of those sections as extended by section 12 of this Act) to make and deliver a return for a year of assessment or other period shall—
 - (a) keep all such records as may be requisite for the purpose of enabling him to make and deliver a correct and complete return for the year or period; and
 - (b) preserve those records until the end of whichever of the following is the later, namely—
 - (i) the day mentioned in subsection (2) below; and
 - (ii) where a return delivered by him is enquired into by an officer of the Board, the day on which, by virtue of section 28A(5) or 28B(5) of this Act, the officer's enquiries are treated as completed.
- (2) The day referred to in subsection (1) above is—
 - (a) in the case of a person carrying on a trade, profession or business alone or in partnership or a company, the fifth anniversary of the 31st January next following the year of assessment or (as the case may be) the sixth anniversary of the end of the period;
 - (b) in any other case, the first anniversary of the 31st January next following the year of assessment or, where a return is delivered by the person concerned after that date, the quarter day next following the first anniversary of the day on which the return is delivered;and the quarter days for the purposes of this subsection are 31st January, 30th April, 31st July and 31st October.
- (3) In the case of a person carrying on a trade, profession or business alone or in partnership—
 - (a) the records required to be kept and preserved under subsection (1) above shall include records of the following, namely—
 - (i) all amounts received and expended in the course of the trade, profession or business and the matters in respect of which the receipts and expenditure take place, and
 - (ii) in the case of a trade involving dealing in goods, all sales and purchases of goods made in the course of the trade; and
 - (b) the duty under that subsection shall include a duty to preserve until the day mentioned in subsection (2) above all supporting documents relating to such items as are mentioned in paragraph (a)(i) or (ii) above.
- (4) The duty under subsection (1) above to preserve records may be discharged by the preservation of the information contained in them; and where information is so preserved a copy of any document forming part of the records shall be admissible in evidence in any proceedings before the Commissioners to the same extent as the records themselves.
- (5) Any person who fails to comply with subsection (1) above in relation to a year of assessment or accounting period shall be liable to a penalty not exceeding £3,000.
- (6) For the purposes of this section—
 - (a) a person engaged in the letting of property shall be treated as carrying on a trade; and
 - (b) “supporting documents” includes accounts, books, deeds, contracts, vouchers and receipts.]

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[^{F43}Voluntary returns

Textual Amendments

F43 S. 12D and cross-heading inserted (retrospective) by [Finance Act 2019 \(c. 1\), s. 87\(1\)\(3\)](#) (with s. 87(4))

12D Returns made otherwise than pursuant to a notice

- (1) This section applies where—
- (a) a person delivers a purported return (“the relevant return”) under section 8, 8A or 12AA (“the relevant section”) for a year of assessment or other period (“the relevant period”),
 - (b) no notice under the relevant section has been given to the person in respect of the relevant period, and
 - (c) HMRC treats the relevant return as a return made and delivered in pursuance of such a notice.
- (2) For the purposes of the Taxes Acts—
- (a) treat a relevant notice as having been given to the person on the day the relevant return was delivered, and
 - (b) treat the relevant return as having been made and delivered in pursuance of that notice (and, accordingly, treat it as if it were a return under the relevant section).
- (3) “Relevant notice” means—
- (a) in relation to section 8 or 8A, a notice under that section in respect of the relevant period;
 - (b) in relation to section 12AA, a notice under section 12AA(3) requiring the person to deliver a return in respect of the relevant period, on or before the day the relevant return was delivered (or, if later, the earliest day that could be specified under section 12AA).
- (4) In subsection (1)(a) “purported return” means anything that—
- (a) is in a form, and is delivered in a way, that a corresponding return could have been made and delivered had a relevant notice been given, and
 - (b) purports to be a return under the relevant section.
- (5) Nothing in this section affects sections 34 to 36 or any other provisions of the Taxes Acts specifying a period for the making or delivering of any assessment (including self-assessment) to income tax or capital gains tax.]

Modifications etc. (not altering text)

C5 S. 12D power to amend conferred (retrospective) by [Finance Act 2019 \(c. 1\), s. 87\(3\)\(5\)\(b\)](#) (with s. 87(4))

Status:

Point in time view as at 31/03/1995.

Changes to legislation:

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