



Taxes Management Act 1970

1970 CHAPTER 9

PART IX

INTEREST ON OVERDUE TAX

Modifications etc. (not altering text)

- C1** Pt. IX (ss. 86-92) applied (27.7.1993 with effect in relation to the year 1993-94 and subsequent years of assessment) by 1993 c. 34, s. 122(2)(3)
- C2** See—Finance Act 1984 (c. 43), Sch.14 para.6(4)—notwithstanding anything in Part IX payments of capital gains tax postponed under Finance Act 1984 Sch.14 not to carry interest for any period before tax becomes payable under Finance Act 1984 Sch.14 para.11; Finance Act 1989 (c. 26), s. 124, Sch. 14 para. 5—payment by installments of capital gains tax on gifts; S.I. 1987/530, reg. 11(3)—tax under assessments in relation to non-resident entertainers and sportsmen to be treated for the purposes of Part IX as income tax under Sch. D.

[F186 Interest on overdue income tax and capital gains tax.

- (1) The following, namely—
- (a) any amount on account of income tax which on any date becomes due and payable in accordance with section 59A of this Act, and
 - (b) any income tax or capital gains tax which on any date becomes due and payable in accordance with section 59B(3) or (4) of this Act,
- shall carry interest at the rate applicable under section 178 of the Finance Act 1989 from that date until payment.
- (2) Any income tax or capital gains tax which becomes due and payable in accordance with section 55 or section 59B(5) or (6) of this Act shall carry interest at the rate applicable under section 178 of the Finance Act 1989 from the relevant date until payment; and in this subsection “the relevant date” means the date mentioned in section 59B(3) or (4) of this Act.

Status: Point in time view as at 03/05/1994.

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- (3) Subsections (1) and (2) above apply even if the date there mentioned is a non-business day within the meaning of section 93 of the Bills of Exchange Act 1882.
- (4) Where as regards a year of assessment—
- (a) any person makes a claim under subsection (3) or (4) of section 59A of this Act in respect of both of the amounts (the section 59A amounts) payable by him in accordance with that section, and
 - (b) an amount (the section 59B amount) becomes payable by him in accordance with section 59B of this Act, or would become so payable but for one or more payments on account made otherwise than under section 59A of this Act,
- interest shall be payable under this section as if each of the section 59A amounts had been equal to the aggregate of that amount and 50 per cent. of the section 59B amount, or the amount given by section 59A(2) of this Act, whichever is the less.
- (5) Where subsection (4) above applies as regards a year of assessment, so much (if any) of 50 per cent. of the section 59B amount as does not affect the amount of interest payable on either of the section 59A amounts shall be added to 50 per cent. of the section 59B amount for the purpose of determining the amount of interest payable on the other of those amounts.
- (6) Where as regards a year of assessment—
- (a) any person makes a claim under subsection (3) or (4) of section 59A of this Act in respect of one of the amounts (the section 59A amount) payable by him in accordance with that section, and
 - (b) an amount (the section 59B amount) becomes payable by him in accordance with section 59B of this Act, or would become so payable but for one or more payments on account made otherwise than under section 59A of this Act,
- interest shall be payable under this section as if the section 59A amount had been equal to the aggregate of that amount and the section 59B amount, or the amount given by section 59A(2) of this Act, whichever is the less.
- (7) Where as regards a year of assessment—
- (a) two amounts (the section 59A amounts) become payable by any person in accordance with section 59A of this Act, and
 - (b) an amount (the section 59B amount) subsequently becomes repayable to him in accordance with section 59B of this Act,
- so much of any interest payable under this section on either of the section 59A amounts as is not attributable to the amount (if any) by which that amount exceeds 50 per cent. of the section 59B amount shall be remitted.
- (8) Where subsection (7) above applies, so much (if any) of 50 per cent. of the section 59B amount as does not affect the amount of interest remittable as respects either of the 59A amounts shall be added to 50 per cent. of the section 59B amount for the purpose of determining the amount of interest remittable as respects the other of those amounts.
- (9) Where as regards a year of assessment—
- (a) a single amount (the section 59A amount) becomes payable by any person in accordance with section 59A of this Act, and
 - (b) an amount (the section 59B amount) subsequently becomes repayable to him in accordance with section 59B of this Act,

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so much of any interest payable under this section on the section 59A amount as is not attributable to the amount (if any) by which that amount exceeds the section 59B amount shall be remitted.

- (10) In determining for the purposes of subsections (4) to (9) above the amount which is payable by or repayable to any person in accordance with section 59B of this Act, no account shall be taken of any amount which is payable by him by way of capital gains tax.]

Textual Amendments

- F1** S. 86 substituted (with effect in accordance with s. 199(2)(3), Sch. 19 para. 23(2) of the amending Act) by [Finance Act 1994 \(c. 9\)](#), [Sch. 19 para. 23\(1\)](#); S.I. 1998/3173, art. 2

Modifications etc. (not altering text)

- C3** S. 86 applied (N.I.) (1.7.1992) by [Social Security Contributions and Benefits \(Northern Ireland\) Act 1992 \(c. 7\)](#), ss. 15(3), 173(4), [Sch. 2 para. 6\(1\)](#)
- C4** S. 86 excluded (E.W.S.) (1.7.1992) by [Social Security Contributions and Benefits Act 1992 \(c. 4\)](#), ss. 16(3), 177(4), [Sch. 2 para. 6\(1\)](#) (as substituted temporarily until 19.4.1993 by [Social Security \(Consequential Provisions\) Act 1992 \(c. 6\)](#), ss. 6, 7(2), [Sch. 4 para. 8](#); S.I. 1993/1025, art. 2)
- C5** S. 86 excluded (N.I.) (1.7.1992) by [Social Security Contributions and Benefits \(Northern Ireland\) Act 1992 \(c. 7\)](#), ss. 15(3), 173(4), [Sch. 2 para. 6\(1\)](#) (as substituted temporarily until 19.4.1993 by [Social Security \(Consequential Provisions\) \(Northern Ireland\) Act 1992 \(c. 9\)](#), ss. 6, 7(2), [Sch. 4 para. 7](#); S.I. 1993/1079, art. 2)
- C6** S. 86 modified by [Income and Corporation Taxes Act 1988 \(c. 1\)](#), s. 767B(1)(a) (as inserted (with effect in accordance with s. 135(6) of the amending Act) by [Finance Act 1994 \(c. 9\)](#), [s. 135\(1\)\(6\)](#))

^{F2}**86A**

Textual Amendments

- F2** *S. 86A added by* [Development Land Tax Act 1976 \(c. 24\)](#) Sch.8 para.21. [Development Land Tax Act 1976](#) repealed by [Finance Act 1985 \(c. 54\)](#), s.98(6), Sch.27 Part X.

^{F3}**87 Interest on overdue advance corporation tax and income tax on company payments.**

- (1) Any tax assessable in accordance with Schedule [^{F4}13] or [^{F4}16] to [^{F4}the principal Act] shall carry interest at the [^{F5}rate applicable under section 178 of the Finance Act 1989] from the date when the tax becomes due and payable until payment .
- (2) Where—
- advance corporation tax paid in respect of distributions made in any return period is repaid under paragraph 4 of the said Schedule [^{F4}13] in consequence of the receipt of franked investment income in a later return period; or
 - income tax paid in respect of payments made in any return period is repaid or discharged under paragraph 5 of the said Schedule [^{F4}16] in consequence of the receipt in a later return period of a payment on which income tax is borne by deduction,

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the repayment or discharge shall not affect interest under this section on the tax so repaid or discharged for such time as is specified in subsection (3) below but, subject to that, this section shall apply as if any such tax which is repaid or discharged had never become payable.

- (3) The time for which interest is not affected is—
- (a) any time before the expiration of fourteen days from the end of the later return period, unless the return for that period is made earlier in those fourteen days; and
 - (b) if that return is made earlier in those fourteen days, any time ending before the date on which the return is made.

^{F6}(4)

(5) Subsection (4) above shall have effect as if all advance corporation tax due from a company in accordance with paragraph 3(1) of the said Schedule [^{F4}13] for any return period, whether or not it is actually assessed, were included in a single assessment, and similarly in the case of all income tax due from a company in accordance with paragraph 4(1) of the said Schedule [^{F4}16] for any return period. ^{F6}

(6) In this section “return period” means a period for which a return is required to be made under the said Schedule [^{F4}13] or [^{F4}16].

(7) It is hereby declared that this section applies to advance corporation tax and income tax which, in accordance with either of those Schedules, is paid without the making of any assessment (but is paid after it is due), and that where the tax is charged by an assessment (whether or not any part of it has been paid when the assessment is made) this section applies as respects interest running before as well as after the making of the assessment.

[Tax assessable as mentioned in subsection (1) above shall carry interest from the date ^{F7}(8) when it becomes due and payable even if that date is a non-business day within the meaning of section 92 of the Bills of Exchange Act 1882.]]

Textual Amendments

- F3** S. 87 substituted by [Finance Act 1972 \(c. 41\)](#), s.111, [Sch.24 para.10](#) for 1973—74 et seq.
- F4** [Income and Corporation Taxes Act 1988 \(c. 1\)](#), Sch. 29 para. 32.
- F5** [Finance Act 1989 \(c. 26\)](#), [s. 179\(1\)\(b\)](#); S.I. 1989/1298 (from 18 August 1989)
- F6** S. 87(4) repealed (with effect in respect of assessments relating to an accounting period beginning on or after 19.4.1993) by [Finance Act 1989 \(c. 26\)](#), [s. 158](#); S.I. 1993/753
- F7** Added by [Finance \(No.2\) Act 1975 \(c. 45\)](#), [s.46\(3\)\(b\)](#) in relation to tax charged by assessments notices of which were issued after 31 July 1975.

Modifications etc. (not altering text)

- C7** See—S.I. 1986/482, [reg. 7\(4\)](#)—application of s. 87 to tax to which Finance Act 1972 Sch. 20 applies by virtue of S.I. 1986/482, [reg. 7](#); S. I. 1987/530, [reg. 14\(2\)](#)—modification of s. 87 in relation to tax assessable in respect of non-resident entertainers and sportsmen.
- C8** S. 87(1)(7)(8) applied (1.10.1993) by S.I. 1993/2004, [reg.11\(10\)](#)
- C9** See—[Finance Act 1981 \(c. 35\)](#), s.134, [Sch.17 para.15\(4\)](#)—application of this section to the special tax on banking deposits.

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[^{F8}87A Interest on overdue corporation tax etc.

- (1) Corporation tax shall carry interest at the [^{F9}rate applicable under section 178 of the Finance Act 1989] from the date when the tax becomes due and payable (in accordance with [^{F10}section 59D of this Act]) until payment.
- (2) Subsection (1) above applies even if the date when the tax becomes due and payable (as mentioned in that subsection) is a non-business day within the meaning of section 92 of the ^{M1}Bills of Exchange Act 1882.
- (3) In relation to corporation tax assessed by virtue of section [^{F11}346(2) or 347(1) of the principal Act, [^{F12}137(4), 139(7) or 179(11) of the 1992 Act or section 96(8) of the Finance Act 1990]] (which enable unpaid corporation tax assessed on a company to be assessed on other persons in certain circumstances), the reference in subsection (1) above to the date when the tax becomes due and payable is a reference to the date when it became due and payable by the company.

- (4) [^{F13}Subject to subsection (7) below]in any case where—
 - (a) there is in any accounting period of a company (in this subsection referred to as “the later period”) an amount of surplus advance corporation tax, as defined in subsection (3) of section [^{F14}239 of the principal Act], and
 - (b) pursuant to a claim under the said subsection (3), the whole or any part of that amount is treated for the purposes of the said section [^{F14}239] as discharging liability for an amount of corporation tax for an earlier accounting period (in this subsection referred to as “the earlier period”), and
 - (c) disregarding the effect of the said subsection (3), an amount of corporation tax for the earlier period would carry interest in accordance with this section,then, in determining the amount of interest payable under this section on corporation tax unpaid for the earlier period, no account shall be taken of any reduction in the amount of that tax which results from the said subsection (3) except so far as concerns interest for any time after the date on which any corporation tax for the later period became due and payable (as mentioned in subsection (1) above).

^{F15}[In a case where—

- (4A) (a) there is for an accounting period of a company (“the later period”) a relievable amount within the meaning of section 131 of the Finance Act 1993 (non-trading exchange gains and losses),
 - (b) as a result of a claim under subsection (5) or (6) of that section the whole or part of the relievable amount for the later period is set off against the exchange profits (as defined in subsection (10) of that section) of an earlier accounting period (“the earlier period”), and
 - (c) disregarding the effect of subsection (5) or (6) (as the case may be) of that section, an amount of corporation tax for the earlier period would carry interest in accordance with this section,

then, in determining the amount of interest payable under this section on corporation tax unpaid for the earlier period, no account shall be taken of any reduction in the amount of that tax resulting from the claim under subsection (5) or (6) of that section except so far as concerns interest for any time after the date on which any corporation tax for the later period became due and payable, as mentioned in subsection (1) above.]

- (5) A sum assessed on a company by such an assessment as is referred to in [^{F16}section 252(5) of the principal Act] (recovery of payment of tax credit or interest on such a payment) shall carry interest at the [^{F17}rate applicable under section 178 of

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the Finance Act 1989] from the date when the payment of tax credit or interest was made until the sum assessed is paid.

^{F18} [In any case where—

- (6) (a) on a claim under section 393A(1) of the principal Act, the whole or any part of a loss incurred in an accounting period (“the later period”) has been set off for the purposes of corporation tax against profits of a preceding accounting period (“the earlier period”);
- (b) the earlier period does not fall wholly within the period of twelve months immediately preceding the later period; and
- (c) if the claim had not been made, there would be an amount or, as the case may be, an additional amount of corporation tax for the earlier period which would carry interest in accordance with this section,

then, for the purposes of the determination at any time of whether any interest is payable under this section or of the amount of interest so payable, the amount mentioned in paragraph (c) above shall be taken to be an amount of unpaid corporation tax for the earlier period except so far as concerns interest for any time after the date on which any corporation tax for the later period became (or, as the case may be, would have become) due and payable as mentioned in subsection (1) above.

(7) Where, in a case falling within subsection (6)(a) and (b) above—

- (a) there is in the earlier period, as a result of the claim under section 393A(1) of the principal Act, an amount of surplus advance corporation tax, as defined in subsection (3) of section 239 of that Act; and
- (b) pursuant to a claim under the said subsection (3), the whole or any part of that amount is to be treated for the purposes of the said section 239 as discharging liability for an amount of corporation tax for an accounting period before the earlier period,

the claim under the said subsection (3) shall be disregarded for the purposes of subsection (6) above but subsection (4) above shall have effect in relation to that claim as if the reference in the words after paragraph (c) to the later period within the meaning of subsection (4) above were a reference to the period which, in relation to the claim under the said section 393A(1), would be the later period for the purposes of subsection (6) above.]]

Textual Amendments

- F8** S. 87A inserted by Finance (No. 2) Act 1987 (c. 51), ss. 85, 95(2)
- F9** Finance Act 1989, s. 179(1)(b) and S.I. 1989/1298. Previously “prescribed rate”. And see S.I. 1989/1297 for regulations made, and interest rate set, under Finance Act 1989, s. 178
- F10** Words in s. 87A(1) substituted (with effect in accordance with s. 199(2)(3) of the amending Act) by Finance Act 1994 (c. 9), Sch. 19 para. 24; S.I. 1998/3173, art. 2
- F11** Income and Corporation Taxes Act 1988 (c. 1), s. 844, Sch. 29 para. 10(4)(b). Previously “266(2), section 267(3C), section 277(1) or section 278(5) of the Taxes Act”.
- F12** Words in s. 87A(3) 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(9) (with ss. 60, 101(1), 171, 201(3))
- F13** Words in s. 87A(4) inserted (27.7.1993) by 1993 c. 34, s. 120, Sch. 14 para. 4(1)
- F14** Income and Corporation Taxes Act 1988 (c. 1), s. 844, Sch. 29 para. 10(4)(c)(d). Previously “85 of the Finance Act 1972” and “85” respectively.
- F15** S. 87A(4A) inserted (27.7.1993) by 1993 c. 34, s. 170, Sch. 18 para.1

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- F16** [Income and Corporation Taxes Act 1988 \(c. 1\), s. 844, Sch. 29 para. 10\(4\)\(d\)](#). Previously “subsection (2) of section 102 of the Finance Act 1972”
- F17** Finance Act 1989, s. 179(1)(b), [S.I. 1989/1298](#). Previously “prescribed rate”. And see [S.I. 1989/1297](#) for regulations made and interest rate set under Finance Act 1989, s. 178
- F18** S. 87A(6)(7) substituted (27.7.1993) for s. 87A(6) by [1993 c. 34, s. 120, Sch. 14 para. 4\(2\)](#)

Modifications etc. (not altering text)

- C10** S. 87A modified by [Income and Corporation Taxes Act 1988 \(c. 1\), s. 438A, Sch. 19AB para. 3](#) (as inserted (25. 7. 1991) by [Finance Act 1991 \(c. 31\), s. 49, Sch. 8](#))
- C11** S. 87A extended (with modifications) by [Income and Corporation Taxes Act 1988 \(c. 1\), s. 438A, Sch. 19AB para. 5\(6\)](#) (as inserted (25.7.1991) by [Finance Act 1991 \(c. 31\), s. 49, Sch. 8](#))
S. 87A applied (with modifications) (2.10.1992) by [S.I. 1992/2326, reg. 6\(5\)\(6\)](#)
- C12** S. 87A modified by [Income and Corporation Taxes Act 1988 \(c. 1\), s. 767B\(1\)\(b\)](#) (as inserted (with effect in accordance with s. 135(6) of the amending Act) by [Finance Act 1994 \(c. 9\), s. 135\(1\)\(6\)](#))
- C13** S. 87A modified (3.5.1994) by [Finance Act 1994 \(c. 9\), s. 250\(4\)\(5\)](#)

Marginal Citations

- M1** [1882 c. 61.](#)

88 Interest on tax recovered to make good loss due to taxpayer’s fault.

- (1) Where an assessment has been made for the purpose of making good to the Crown a loss of tax wholly or partly attributable to
- (a) a failure to give a notice, make a return or produce or furnish a document or other information required by or under the Taxes Acts, or
 - (b) an error in any information, return, accounts or other document delivered to an inspector or other officer of the Board ^{F19},]
- the tax charged by the assessment, or as the case may be such part thereof as corresponds to the part so attributable, [shall, if an inspector or the Board so determine, carry ^{F20}] interest at the [rate applicable under section 178 of the Finance Act 1989 ^{F21}] from the date on which the tax ought to have been paid until payment .
- ^{M2}(2) This section shall not apply in relation to [] tax under Schedule [13 or 16 to the principal Act ^{F22}].
- (3) Where it is finally determined that any tax carries interest under this section, the tax shall carry no interest under section 86 or 86A above, (and, accordingly, any interest under either of those sections which has been paid before the final determination shall be set off against the amount of the interest under this section); and for the purposes of this subsection a determination that tax carries interest is not final until it can no longer be varied, whether by any Commissioners on appeal or by the order of any court ^{F23}.]
- ^{M3}(4) The Board may at their discretion mitigate (whether before or after judgment) any interest due under this section and may stay or compound any proceedings for the recovery thereof.
- ^{M4}(5) For the purposes of this section the date when tax ought to have been paid shall be taken to be—
- (a) in the case of income tax, 1st January in the year of assessment for which the tax is charged, but subject to paragraphs (b) and (c) below,
 - (b) in the case of one-half of any income tax specified in section [5(2) ^{F24}] of the principal Act, the following 1st July,

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- (c) in the case of any income tax specified in section [5(4) ^{F24}] of the principal Act, the following [1st December ^{F25} ^{F26}],
- ^{M5}(d) in the case of capital gains tax, [1st December ^{F25}] in the year of assessment next following the year for which the tax is charged,
- ^{M6}(e) in the case of corporation tax, the date nine months from the end of the accounting period for which the tax is charged ^{F27} . . . ^{F28}
- (f) ^{F29}
- (6) Tax charged by an assessment mentioned in subsection (1) above shall carry interest from the date when it ought to have been paid even if that date was a non-business day within the meaning of section 92 of the Bills of Exchange Act 1882 ^{F30} .]
- (7) In paragraph (a) of subsection (1) above the reference to a failure to do something includes, in relation to anything required to be done at a particular time or within a particular period, a reference to a failure to do it at that time or within that period; and, accordingly, section 118(2) of this Act shall not apply for the purposes of that paragraph ^{F31} .]

Textual Amendments

- F19** Finance Act 1989 (c. 26), s. 159(2) in relation to failures occurring, and errors in any information or documents delivered, on or after 27 July 1989.
- F20** Finance Act 1989 (c. 26), s. 160(1).
- F21** Finance Act 1989 (c. 26), s. 179(1)(b)(i); S.I. 1989/1298 from 18 August 1989
- F22** Income and Corporation Taxes Act 1988 (c. 1, SIF 63:1) Sch. 29 para. 32 previously amended by Finance Act 1972 s.111 and Sch.24 para.11.
- F23** Finance Act 1989 (c. 26), s. 161.
- F24** Income and Corporation Taxes Act 1988 (c. 1, SIF 63:1) Sch. 29 para. 32
- F25** Finance Act 1980 s.61(4) for 1980—81 et seq.
- F26** Finance Act 1971 ss.37 and 38 and Sch.6 para.87 for 1973—74 et seq.
- F27** Subs. (e) omitted by Finance (No. 2) Act 1987 s. 86(4) for accounting periods ending after a day to be appointed.
- F28** Words repealed by Income and Corporation Taxes Act 1988 (c. 1, SIF 63:1) s. 844 and Sch. 31 See 1987 edition for text.
- F29** A development land tax provision added by Development Land Tax Act 1976 (c. 24) Sch.8 para.22 Development Land Tax Act 1976 repealed by Finance Act 1985 s.98(6) and Sch.27 Part X.
- F30** Finance (No.2) Act 1975 s.46(4) in relation to tax charged by assessments where notices issued after 31 July 1975.
- F31** Finance Act 1989 s. 159(3) in relation to failures occurring, and errors in any information or documents delivered, on or after 27 July 1989.

Modifications etc. (not altering text)

- C14** S. 88 extended (25.7.1991) by Finance Act 1991 (c. 31, SIF 63:1), s. 33(3)(c)
- C15** S. 88(1)(4)(5)(a)(b) applied (N.I.) (1.7.1992) by Social Security Contributions and Benefits (Northern Ireland) Act 1992 (c. 7), ss. 15(3), 173(4), Sch. 2 para. 6(1)
- C16** S. 88(1)(4)(5)(a)(b) extended (E.W.S.) (1.7.1992) by Social Security Contributions and Benefits Act 1992 (c. 4), ss. 16(3), 177(4), Sch. 2 para. 6(1) (as substituted temporarily until 19.4.1993 by Social Security (Consequential Provisions) Act 1992 (c. 6), ss. 6, 7(2), Sch. 4 para. 8; S.I. 1993/1025, art.2)
- C17** S. 88(1)(4)(5)(a)(b) extended (N.I.) (1.7.1992) by Social Security Contributions and Benefits (Northern Ireland) Act 1992 (c. 7), ss. 15(3), 173(4), Sch. 2 para. 6(1) (as substituted temporarily until 19.4.1993 by Social Security (Consequential Provisions) Act 1992 (c. 9), ss. 6, 7(2), Sch. 4 para. 7; S.I. 1993/1079, art. 2)

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- C18** See Finance Act 1984 Sch.14 para.2(3)(b)—Finance Act 1984 Sch.14 not have effect to allow postponement of capital gains tax carrying interest by virtue of s.88(1), unless the interest by reason of neglect of any person and that neglect is remedied before 1 July 1985.
- C19** See Finance (No. 2) Act 1987 s. 86(4)(a) for wording to be inserted for accounting periods ending after a day to be appointed.
- C20** See Finance Act 1966 s.27 and Sch.6 para.23(5)—s.88 applied to certain proceedings for the recovery of excessive overspill relief under Finance Act 1965 s.84 (transitional relief for companies with overseas trading income).
- C21** See—Income and Corporation Taxes Act 1988 (c. 1, SIF 63:1) Sch. 14 para. 7(3)(c)—application of s. 88 to sums claimed under s. 266(5)(b) to which the claimant was not entitled. Finance Act 1989 s. 57(3)—application of s. 88 to medical insurance relief.

Marginal Citations

- M2** 1967 Sch.XI 10(3), 12(3).
- M3** 1960
s.58(7).
- M4** 1960
s.58(2).
- M5** 1969
Sch.XX 14(5).
- M6** 1966
Sch.VI 8(2).

[^{F32}88A Determinations under section 88.

- (1) Notice of a determination under section 88 above shall be served on the person liable to pay the interest to which it relates and shall specify—
 - (a) the date on which it is issued,
 - (b) the amount of the tax which carries interest and the assessment by which that tax was charged,
 - (c) the date when for the purposes of section 88 above that tax ought to have been paid, and
 - (d) the time within which an appeal against the determination may be made.
- (2) After the notice of a determination under section 88 above has been served the determination shall not be altered except in accordance with this section.
- (3) A determination under section 88 above may be made at any time—
 - (a) within six years after the end of the chargeable period for which the tax carrying the interest is charged (or, in the case of development land tax, of the financial year in which the liability for that tax arose), or
 - (b) within three years after the date of the final determination of the amount of that tax.
- (4) An appeal may be brought against a determination under section 88 above and, subject to the following provisions of this section, the provisions of this Act relating to appeals shall have effect in relation to an appeal against such a determination as they have effect in relation to an appeal against an assessment to tax.
- (5) On an appeal against a determination under section 88 above section 50(6) to (8) of this Act shall not apply but the Commissioners may—

Status: Point in time view as at 03/05/1994.

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- (a) if it appears to them that the tax carries no interest under that section, set the determination aside,
- (b) if the determination appears to them to be correct, confirm the determination, or
- (c) if the determination appears to them to be incorrect as to the amount of tax or the date on which the tax ought to have been paid, revise the determination accordingly.]

Textual Amendments

F32 Finance Act 1989 (c. 26), s. 160(2).

^{F33} **89 The prescribed rate of interest.**

.....

Textual Amendments

F33 S. 89 repealed (18.8.1989) by Finance Act 1989 (c. 26), ss. 178(7), 187(1), Sch. 17 Part X

90 Disallowance of relief for interest on tax.

Interest payable under this Part of this Act shall be paid without any deduction of income tax and shall not be allowed as a deduction in computing any income, profits or losses for any tax purposes.

Modifications etc. (not altering text)

C22 S. 90 applied (27.7.1993) by 1993 c. 34, s. 173, Sch. 19 Pt. II para.11(5)

C23 See Oil Taxation Act 1975 (c. 22), s. 1, Sch. 2 paras. 1(1), 15 (Oil Taxation Acts) regarding modification in relation to petroleum revenue tax and supplementary petroleum duty

C24 See Finance Act 1988 (c. 39), Sch. 5 para. 3(4)—payments on account of tax by underwriters.

C25 See Income and Corporation Taxes Act 1988 (c. 1, SIF 63:1) Sch. 19A para. 3 as substituted by S.I. 1990 No. 2524.

91 Effect on interest of reliefs.

- (1) Where any amount of interest is payable under section 86 or section 88 of this Act in relation to an assessment, and relief from tax charged by the assessment is given to any person by a discharge of any of that tax, such adjustment shall be made of the said amount, and such repayment shall be made of any amounts previously paid under those provisions in relation to the assessment, as are necessary to secure that the total sum, if any, paid or payable under those provisions in relation to the assessment is the same as it would have been if the tax discharged had never been charged.

[^{F34}(1A) Where interest is payable under section 87A of this Act in respect of an amount of corporation tax for an accounting period, and relief from tax is given by a discharge of any of that corporation tax—

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- (a) such adjustment shall be made of the amount of interest payable under that section in respect of corporation tax for that accounting period, and
- (b) such repayment shall be made of any amounts of interest previously paid under that section in respect of that corporation tax,

as are necessary to secure that the total sum (if any) paid or payable under that section in respect of corporation tax for that accounting period is the same as it would have been if the tax discharged had never been charged.

(1B) Subsection (1A) above has effect subject to section 87A(4) [^{F35}(6) and (7)] of this Act.]

- (2) [^{F36}Subject to subsection (2A) below] Where relief from tax ^{F37}... paid for any chargeable period is given to any person by repayment, he shall be entitled to require that the amount repaid shall be treated for the purposes of this section, so far as it will go, as if it were a discharge of the tax charged on him (whether alone or together with other persons) by or by virtue of any assessment for or relating to the same chargeable period, so, however, that it shall not be applied to any assessment made after the relief was given and that it shall not be applied to more than one assessment so as to reduce, without extinguishing, the amount of tax charged thereby.

[^{F38}(2A) In any case where—

- (a) relief from corporation tax is given to any person by repayment, and
- (b) that tax was paid for an accounting period ending after the day which is the appointed day for the purposes of section [^{F39}10 of the principal Act],

that person shall be entitled to require that the amount repaid shall be treated for the purposes of this section, so far as it will go, as if it were a discharge of the corporation tax charged on him for that period.]

- (3) Notwithstanding anything in the preceding provisions of this section, no relief, whether given by way of discharge or repayment, shall be treated for the purposes of this section as—

- ^{F40}(a)
- (b) affecting tax charged by any assessment to income tax made under Schedule A or Schedule D if either—
 - ^{F40}(i)
 - (ii) it arises in connection with income taxable otherwise than under Schedule A or Schedule D, or
 - (iii) it relates to a source income from which is taxable otherwise than under Schedule A or Schedule D [^{F41}or
- (c) affecting tax charged at a rate other than the basic rate [^{F42}or the lower rate] on income from which tax has been deducted (otherwise than under section [^{F43}203] of the principal Act) or is treated as having been deducted, unless it is a relief from the tax so charged].

- (4) For the purposes of this section a relief from corporation tax or capital gains tax shall not be treated as affecting tax charged by any assessment unless the assessment is to the same tax .

Textual Amendments

F34 S. 91(1A)(1B) inserted (23.7.1987 with effect with respect to accounting periods ending after 30.9.1993) by 1987 c. 51, s. 86(5)(7); S.I. 1992/3066, art.2(2)(a).

F35 Words in s. 91(1B) inserted (27.7.1993) by 1993 c. 34, s. 120, Sch. 14 para.5

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- F36** Words in s. 91(2) added (23.7.1987 with effect with respect to accounting periods ending after 30.9.1993) by 1987 c. 51, s. 86(6)(7); S.I. 1992/3066, art.2(2)(a).
- F37** Amended in relation to development land tax by Development Land Tax Act 1976 Sch.8 para.24 and amendment repealed by 1985 s.98(6) and Sch.27 Part X.
- F38** S. 91(2A) added (23.7.1987 with effect with respect to accounting periods ending after 30.9.1993) by 1987 c. 51, s. 86(6)(7); S.I. 1992/3066, art.2(2)(a).
- F39** Income and Corporation Taxes Act 1988 (c. 1, SIF 63:1), s. 844, Sch. 29 para. 10(6). Previously “90 of the Finance (No. 2) Act 1987”
- F40** Words omitted repealed for 1973—74 et seq. by Finance Act 1971 ss. 37, 38, Sch.6 para.88, Sch.14 Part II.
- F41** Finance Act 1971 (c. 68), ss.37, 38, Sch.6 para.88, with effect for 1973—74 et seq.
- F42** Words in s. 91(3)(c) inserted (16.7.1992 for the year 1992-93 and subsequent years of assessment) by Finance (No. 2) Act 1992 (c. 48), s. 19(2)(7)
- F43** Income and Corporation Taxes Act 1988 (c. 1) Sch. 29 para. 32.

Modifications etc. (not altering text)

- C26** See Income and Corporation Taxes Act 1988 (c. 1, SIF 63:1) Sch. 19A para. 3 as substituted by S.I. 1990 No. 2524.
- C27** See—Taxes Management Act 1970 (c. 9, SIF 63:1) s.109—application of s.91 in relation to tax under Finance Act 1970 ss.286, 288 and 289. Income and Corporation Taxes Act 1988 (c. 1, SIF 63:1) s.306—s.91 not to apply to business expansion scheme relief.

F44 91A

Textual Amendments

- F44** S. 91A added by Development Land Tax Act 1976 (c. 24) Sch.8 para.25. Development Land Tax Act 1976 repealed by Finance Act 1985 (c. 54), s.98(6), Sch.27 Part X.

92 Remission in certain cases of interest on tax in arrear by reason of exchange restrictions.

- (1) The provisions of this section shall have effect where the Board are satisfied as respects any tax carrying interest under section 86 of this Act—
- (a) that the tax is in respect of income or chargeable gains arising in a country outside the United Kingdom, and
 - (b) that, as the result of action of the government of that country, it is impossible for the income or gains to be remitted to the United Kingdom, and
 - (c) that having regard to the matters aforesaid and to all the other circumstances of the case it is reasonable that the tax should for the time being remain uncollected,
- and the Board allow the tax to remain uncollected accordingly.
- (2) Interest on the said tax shall, subject to subsection (3) below, cease to run under the said section 86 as from the date on which the Board were first in possession of the information necessary to enable them to be satisfied as aforesaid and, if the said date is not later than three months from the time when the tax became due and payable, the interest thereon under the said section 86 in respect of the period before the said date shall be remitted.

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- (3) Where, under subsection (2) above, interest has ceased to run on any tax and thereafter demand is made by the collector or other proper officer for payment of all or any of that tax, interest under the said section 86 shall again begin to run from the date of the demand in respect of the amount demanded:

Provided that where all or any part of the amount demanded is paid not later than three months from the date of the demand, the interest under the said section 86 on the amount so paid running from the date of the demand shall be remitted.

Modifications etc. (not altering text)

- C28** See—[Finance \(No. 2\) Act 1987 \(c. 51\)](#), [s. 86\(3\)](#)—references to s. 86 include reference to s. 87A for accounting periods ending after a day to be appointed; [Finance Act 1988 \(c. 39\)](#), [Sch. 5 para. 10\(2\)](#)—reference to s. 86 to include a reference to [Income and Corporation Taxes Act 1988 \(c. 1\)](#), [Sch. 5 para. 3\(4\)](#)—interest on underwriters liabilities.

Status:

Point in time view as at 03/05/1994.

Changes to legislation:

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