



# Taxes Management Act 1970

## 1970 CHAPTER 9

### [<sup>F1</sup>PART VA

#### PAYMENT OF TAX

##### Textual Amendments

- F1** Pt. 5A inserted (with effect in accordance with s. 199(2)(3) of the amending Act) by [Finance Act 1994 \(c. 9\), s. 192](#) (with s. 198(1)); [S.I. 1998/3173](#), art. 2

#### **59A** Payments on account of income tax.

- (1) [<sup>F2</sup>Subject to subsection (9) below,] this section applies to any person (the taxpayer) as regards a year of assessment if as regards the immediately preceding year—
- he [<sup>F3</sup>is assessed] to income tax under section 9 of this Act in any amount, and
  - that amount (the assessed amount) exceeds the amount of any income tax which has been deducted at source, and
  - the amount of the excess (the relevant amount) is not less than such amount as may be prescribed by regulations made by the Board, and
  - the proportion which the relevant amount bears to the assessed amount is not less than such proportion as may be so prescribed.
- (2) Subject to subsection (3) below, the taxpayer shall make two payments on account of his liability to income tax for the year of assessment—
- the first on or before the 31st January in that year, and
  - the second on or before the next following 31st July;
- and, subject to [<sup>F4</sup>subsections (4) and (4A)] below, each of those payments on account shall be of an amount equal to 50 per cent. of the relevant amount.
- (3) If, at any time before the 31st January next following the year of assessment, the taxpayer makes a claim under this subsection stating—

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- (a) his belief that he will not be assessed to income tax for that year, or that the amount in which he will be so assessed will not exceed the amount of income tax deducted at source, and
- (b) his grounds for that belief,
- each of the payments on account shall not be, and shall be deemed never to have been, required to be made.
- (4) If, at any time before the 31st January next following the year of assessment, the taxpayer makes a claim under this subsection stating—
- (a) his belief that the amount in which he will be assessed to income tax for that year will exceed the amount of income tax deducted at source by a stated amount which is less than the relevant amount, and
- (b) his grounds for that belief,
- the amount of each of the payments on account required to be made shall be, and shall be deemed always to have been, equal to 50 per cent. of the stated amount.
- [ If as regards the year immediately preceding the year of assessment—
- <sup>F5</sup>(4A) (a) the taxpayer is assessed to income tax under section 9 of this Act after the date on or before which either payment on account is required to be made, or
- (b) his assessment to income tax under that section is amended after that date,
- then, subject to subsections (3) and (4) above and to any subsequent application of this subsection, the amount of the payment on account shall be, and shall be deemed always to have been, equal to 50 per cent. of the relevant amount as determined on the basis of the assessment or, as the case may be, the assessment as amended.]
- (5) Where the taxpayer makes a claim under subsection (3) or (4) above [<sup>F6</sup>or subsection (4A) above applies], there shall be made all such adjustments, whether by the repayment of amounts paid on account<sup>F7</sup>, by the making of payments or further payments on account] or otherwise, as may be required to give effect to the provisions of that subsection.
- (6) Where the taxpayer fraudulently or negligently makes any incorrect statement in connection with a claim under subsection (3) or (4) above, he shall be liable to a penalty not exceeding the difference between—
- (a) the amount which would have been payable on account if he had made a correct statement, and
- (b) the amount of the payment on account (if any) made by him.
- (7) The provisions of the Income Tax Acts as to the recovery of income tax shall apply to an amount falling to be paid on account of tax in the same manner as they apply to an amount of tax.
- <sup>F8</sup>(8) In this section, in relation to a year of assessment, any reference to the amount of any income tax deducted at source is a reference to the amount by which the aggregate of the following, namely—
- (a) any income tax deducted or treated as deducted from any income, or treated as paid on any income, in respect of the year, and
- (b) any amounts which, in respect of the year, are to be deducted at source under section 203 of the principal Act in subsequent years, or are tax credits to which section 231 of that Act applies,
- exceeds the aggregate of any amounts which, in the year, are deducted at source under the said section 203 in respect of previous years.

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- (9) If, at any time before the 31st January next following a year of assessment, an officer of the Board so directs—
- (a) this section shall not apply, and shall be deemed never to have applied, as regards that year to any person specified in the direction; and
  - (b) there shall be made all such adjustments, whether by the repayment of amounts paid on account or otherwise, as may be required to give effect to the direction.]]

#### Textual Amendments

- F2** Words in s. 59A(1) inserted (with effect in accordance with s. 103(7) of the amending Act) by [Finance Act 1995 \(c. 4\), s. 108\(1\)\(a\)](#)
- F3** Words in s. 59A(1)(a) substituted (with effect in accordance with s. 103(7) of the amending Act) by [Finance Act 1995 \(c. 4\), s. 108\(1\)\(b\)](#)
- F4** Words in s. 59A(2) substituted (with effect in accordance with s. 103(7) of the amending Act) by [Finance Act 1995 \(c. 4\), s. 108\(2\)](#)
- F5** S. 59A(4A) inserted (with effect in accordance with s. 103(7) of the amending Act) by [Finance Act 1995 \(c. 4\), s. 108\(3\)](#)
- F6** Words in s. 59A(5) inserted (with effect in accordance with s. 103(7) of the amending Act) by [Finance Act 1995 \(c. 4\), s. 108\(4\)\(a\)](#)
- F7** Words in s. 59A(5) inserted (with effect in accordance with s. 103(7) of the amending Act) by [Finance Act 1995 \(c. 4\), s. 108\(4\)\(b\)](#)
- F8** S. 59A(8)(9) substituted for s. 59A(8) (with effect in accordance with s. 103(7) of the amending Act) by [Finance Act 1995 \(c. 4\), s. 108\(5\)](#)

#### Modifications etc. (not altering text)

- C1** S. 59A modified (as respects the year 1996-97) by [Finance Act 1995 \(c. 4\), Sch. 21 para. 2](#)
- C2** S. 59A applied (with modifications) (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Taxation of Income from Land \(Non-residents\) Regulations 1995 \(S.I. 1995/2902\), regs. 1\(1\), 20, 21](#)

### [<sup>F9</sup>59B Payment of income tax and capital gains tax.

- (1) Subject to subsection (2) below, the difference between—
- (a) the amount of income tax and capital gains tax contained in a person's self-assessment under section 9 of this Act for any year of assessment, and
  - (b) the aggregate of any payments on account made by him in respect of that year (whether under section 59A of this Act or otherwise) and any income tax which in respect of that year has been deducted at source,
- shall be payable by him or (as the case may be) repayable to him as mentioned in subsection (3) or (4) below.
- (2) The following, namely—
- (a) any amount which, in the year of assessment, is deducted at source under section 203 of the principal Act in respect of a previous year, and
  - (b) any amount which, in respect of the year of assessment, is to be deducted at source under that section in a subsequent year, or is a tax credit to which section 231 of that Act applies,
- shall be respectively deducted from and added to the aggregate mentioned in subsection (1)(b) above.

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- (3) In a case where the person—
- (a) gave the notice required by section 7 of this Act within six months from the end of the year of assessment, but
  - (b) was not given notice under section 8 or 8A of this Act until after the 31st October next following that year,
- the difference shall be payable or repayable at the end of the period of three months beginning with the day on which the notice under section 8 or 8A was given.
- (4) In any other case, the difference shall be payable or repayable on or before the 31st January next following the year of assessment.
- (5) Where a person's self-assessment under section 9 of this Act is amended under section 9(4), section 28A(2), (3) or (4) or section 30B(2) of this Act, any amount of tax which is payable or repayable by virtue of the amendment shall, subject to section 55(6) and (9) of this Act, be payable or (as the case may be) repayable—
- (a) in a case where notice of the amendment is given after, or less than 30 days before, the day given by subsection (3) or (4) above, on or before the day following the end of the period of 30 days beginning with the day on which notice is given; and
  - (b) in any other case, on or before the day given by subsection (3) or (4) above.
- (6) Any amount of income tax or capital gains tax which is payable by virtue of an assessment made [<sup>F10</sup>otherwise than under section 9 of this Act shall, unless otherwise provided,] be payable on the day following the end of the period of 30 days beginning with the day on which the notice of assessment is given.
- (7) In this section any reference to income tax deducted at source is a reference to income tax deducted or treated as deducted from any income or treated as paid on any income.]

#### Textual Amendments

- F9** S. 59B inserted (with effect in accordance with s. 199(2)(3) of the amending Act) by [Finance Act 1994 \(c. 9\)](#), [s. 193](#) (with [s. 198\(3\)](#)); [S.I. 1998/3173](#), art. 2
- F10** Words in [s. 59B\(6\)](#) substituted (with effect in accordance with s. 103(7) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), [s. 115\(6\)](#)

#### Modifications etc. (not altering text)

- C3** S. 59B modified (with application in accordance with Sch. 21 para. 3(1) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), [Sch. 21 para. 3\(3\)](#)

### <sup>F11</sup>59C Surcharges on unpaid income tax and capital gains tax.

- (1) This section applies in relation to any income tax or capital gains tax which has become payable by a person (the taxpayer) in accordance with section 55 or 59B of this Act.
- (2) Where any of the tax remains unpaid on the day following the expiry of 28 days from the due date, the taxpayer shall be liable to a surcharge equal to 5 per cent. of the unpaid tax.
- (3) Where any of the tax remains unpaid on the day following the expiry of 6 months from the due date, the taxpayer shall be liable to a further surcharge equal to 5 per cent. of the unpaid tax.

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- (4) Where the taxpayer has incurred a penalty under section 7, 93(5)<sup>[F12]</sup>, 95 or 95A] of this Act, no part of the tax by reference to which that penalty was determined shall be regarded as unpaid for the purposes of subsection (2) or (3) above.
- (5) An officer of the Board may impose a surcharge under subsection (2) or (3) above; and notice of the imposition of such a surcharge—
  - (a) shall be served on the taxpayer, and
  - (b) shall state the day on which it is issued and the time within which an appeal against the imposition of the surcharge may be brought.
- (6) A surcharge imposed under subsection (2) or (3) above shall carry interest at the rate applicable under section 178 of the Finance Act 1989 from the end of the period of 30 days beginning with the day on which the surcharge is imposed until payment.
- (7) An appeal may be brought against the imposition of a surcharge under subsection (2) or (3) above within the period of 30 days beginning with the date on which the surcharge is imposed.
- (8) Subject to subsection (9) below, the provisions of this Act relating to appeals shall have effect in relation to an appeal under subsection (7) above as they have effect in relation to an appeal against an assessment to tax.
- (9) On an appeal under subsection (7) above section 50(6) to (8) of this Act shall not apply but the Commissioners may—
  - (a) if it appears to them that, throughout the period of default, the taxpayer had a reasonable excuse for not paying the tax, set aside the imposition of the surcharge; or
  - (b) if it does not so appear to them, confirm the imposition of the surcharge.
- (10) Inability to pay the tax shall not be regarded as a reasonable excuse for the purposes of subsection (9) above.
- (11) The Board may in their discretion—
  - (a) mitigate any surcharge under subsection (2) or (3) above, or
  - (b) stay or compound any proceedings for the recovery of any such surcharge, and may also, after judgment, further mitigate or entirely remit the surcharge.
- (12) In this section—

“the due date”, in relation to any tax, means the date on which the tax becomes due and payable;

“the period of default”, in relation to any tax which remained unpaid after the due date, means the period beginning with that date and ending with the day before that on which the tax was paid.]

#### Textual Amendments

- F11** S. 59C inserted (with effect in accordance with s. 199(2)(3) of the amending Act) by [Finance Act 1994 \(c. 9\), s. 194](#); [S.I. 1998/3173](#), art. 2
- F12** Words in s. 59C(4) substituted (with effect in accordance with s. 103(7) of the amending Act) by [Finance Act 1995 \(c. 4\), s. 109\(1\)](#)

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#### **Modifications etc. (not altering text)**

- C4** S. 59C extended (with effect in accordance with s. 103(7) of the amending Act) by [Finance Act 1995](#) (c. 4), s. 109(2)

#### **[<sup>F13</sup>59D Payment of corporation tax.**

- (1) Corporation tax for an accounting period shall be due and payable on the day following the expiry of nine months from the end of that period.
- (2) If, with respect to any accounting period—
  - (a) a company has paid an amount of corporation tax; and
  - (b) at any time before an assessment to corporation tax for the period becomes final, the company has grounds for believing that, by reason of a change in the circumstances of the case since the tax was paid, the amount paid exceeds the company's probable liability for corporation tax,

the company may, by notice given to an officer of the Board on or after the date which, under section 826 of the principal Act, is the material date in relation to that tax, make a claim for the repayment to the company of the amount of that excess.
- (3) A notice under subsection (2) above shall state the amount which the company considers should be repaid and the grounds referred to in paragraph (b) of that subsection.
- (4) If, apart from this subsection, a claim would fall to be made under subsection (2) above at a time when—
  - (a) the company has appealed against, or against an amendment of, such an assessment as is referred to in paragraph (b) of that subsection, but
  - (b) that appeal has not been finally determined,

that subsection shall have effect as if, for the words from “make a claim” to “excess”, there were substituted the words “apply to the Commissioners to whom the appeal stands referred for a determination of the amount which should be repaid to the company pending a determination of the company’s liability for the accounting period in question”.
- (5) An application under subsections (2) and (4) above shall be determined in the same way as an appeal.
- (6) Where on an appeal against, or against an amendment of, an assessment to corporation tax a company makes an application under section 55(3) or (4) of this Act, that application may be combined with an application under subsections (2) and (4) above (relating to tax which was paid prior to the assessment).]

#### **Textual Amendments**

- F13** S. 59D inserted (with effect in accordance with s. 199(2)(3) of the amending Act) by [Finance Act 1994](#) (c. 9), s. 195; S.I. 1998/3173, art. 2

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VALID FROM 11/07/2019

**[<sup>F14</sup>59FBCT payment plans for tax on certain transactions with EEA residents**

Schedule 3ZC makes provision enabling a company that is liable to pay corporation tax arising in connection with certain transactions to defer payment of the tax by entering into a CT payment plan.]

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**Textual Amendments**

**F14** S. 59FB inserted (retrospective and with effect in accordance with [Sch. 7 para. 4\(1\)\(a\)](#) of the amending Act) by [Finance Act 2020 \(c. 14\)](#), [Sch. 7 para. 1](#)

**Status:**

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