



Taxes Management Act 1970

1970 CHAPTER 9

[^{F1}PART VA

PAYMENT OF TAX

[^{F1}Income tax and capital gains tax]

[^{F1}59A Payments on account of income tax.

- (1) [^{F2}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—
 - (a) he [^{F3}is assessed] to income tax under section 9 of this Act in any amount, and
 - (b) that amount (the assessed amount) exceeds the amount of any income tax which has been deducted at source, and
 - (c) 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
 - (d) 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—
 - (a) the first on or before the 31st January in that year, and
 - (b) the second on or before the next following 31st July;and, subject to [^{F4}subsections [^{F5}(4) to (4B)]] 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—
 - (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,

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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—

^{F6}(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 [^{F7}and subsection (4B) below] 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.]

[If as regards the year immediately preceding the year of assessment the taxpayer is

^{F8}(4B) assessed to income tax under section 29 of this Act in any amount, then, subject to subsections (3) and (4) above and to any subsequent application of this subsection, the amount of each payment on account shall be, and shall be deemed always to have been, the total of—

- (a) the amount which, immediately before the making of the assessment under section 29, is the amount of that payment, and
- (b) an amount equal to 50 per cent. of the amount in which he is assessed under that assessment;

and if that assessment is varied, the amount in which he is assessed under it shall be taken for the purposes of paragraph (b) above to be the amount of the assessment as varied.]

(5) Where the taxpayer makes a claim under subsection (3) or (4) above [^{F9}or subsection (4A) [^{F10}or (4B)] above applies], there shall be made all such adjustments, whether by the repayment of amounts paid on account [^{F11}, 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.

^{F12}(7)

[^{F13}(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—

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- (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 [F14PAYE regulations] in subsequent years, or are tax credits to which [F15section 397(1) [F16or [F17397A(1)]] of ITTOIA 2005] applies, exceeds the aggregate of any amounts which, in the year, are deducted at source under [F18PAYE regulations] in respect of previous years.
- (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.]
- [[F20PAYE regulations] may provide that, for the purpose of determining the amount of
- (10) any such excess as is mentioned in subsection (1) above, any necessary adjustments in respect of matters prescribed by the regulations shall be made to the amount of tax deducted at source under [F21PAYE regulations].]

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
- 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\(1\)\(a\)](#) (which amendment is saved (22.7.2004) by [Finance Act 2004 \(c. 12\)](#), [Sch. 17 para. 6\(1\)](#) (with [Sch. 17 para. 6\(2\)](#)))
- 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\(1\)\(b\)](#) (which amendment is saved (22.7.2004) by [Finance Act 2004 \(c. 12\)](#), [Sch. 17 para. 6\(1\)](#) (with [Sch. 17 para. 6\(2\)](#)))
- 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\(2\)](#) (which amendment is saved (22.7.2004) by [Finance Act 2004 \(c. 12\)](#), [Sch. 17 para. 6\(1\)](#) (with [Sch. 17 para. 6\(2\)](#)))
- F5** Words in s. 59A(2) substituted (with effect in accordance with [Sch. 18 para. 17](#) of the amending Act) by [Finance Act 1996 \(c. 8\)](#), [Sch. 18 para. 2\(2\)](#)
- F6** S. 59A(4A) inserted (with effect in accordance with s. 103(7) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), [s. 108\(3\)](#) (which amendment is saved (22.7.2004) by [Finance Act 2004 \(c. 12\)](#), [Sch. 17 para. 6\(1\)](#) (with [Sch. 17 para. 6\(2\)](#)))
- F7** Words in s. 59A(4A) inserted (with effect in accordance with [Sch. 18 para. 17](#) of the amending Act) by [Finance Act 1996 \(c. 8\)](#), [Sch. 18 para. 2\(3\)](#)
- F8** S. 59A(4B) inserted (with effect in accordance with [Sch. 18 para. 17](#) of the amending Act) by [Finance Act 1996 \(c. 8\)](#), [Sch. 18 para. 2\(4\)](#)
- F9** 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\(4\)\(a\)](#) (which amendment is saved (22.7.2004) by [Finance Act 2004 \(c. 12\)](#), [Sch. 17 para. 6\(1\)](#) (with [Sch. 17 para. 6\(2\)](#)))
- F10** Words in s. 59A(5) inserted (with effect in accordance with [Sch. 18 para. 17](#) of the amending Act) by [Finance Act 1996 \(c. 8\)](#), [Sch. 18 para. 2\(5\)](#)
- F11** 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\(4\)\(b\)](#) (which amendment is saved (22.7.2004) by [Finance Act 2004 \(c. 12\)](#), [Sch. 17 para. 6\(1\)](#) (with [Sch. 17 para. 6\(2\)](#)))

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- F12** S. 59A(7) omitted (with effect in accordance with Sch. 7 para. 60 of the amending Act) by virtue of [Finance Act 2015 \(c. 11\)](#), **Sch. 7 para. 50**
- F13** 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)** (which amendment is saved (22.7.2004) by [Finance Act 2004 \(c. 12\)](#), **Sch. 17 para. 6(1)** (with Sch. 17 para. 6(2)))
- F14** Words in s. 59A(8)(b) substituted (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), **Sch. 6 para. 130(a)** (with Sch. 7)
- F15** Words in s. 59A(8)(b) substituted (with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), **Sch. 1 para. 376** (with Sch. 2)
- F16** Words in s. 59A(8)(b) inserted (with effect in accordance with s. 34(2) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), **Sch. 12 para. 13**
- F17** Word in s. 59A(8)(b) substituted (with effect in accordance with Sch. 19 para. 14 of the amending Act) by [Finance Act 2009 \(c. 10\)](#), **Sch. 19 para. 9(d)**
- F18** Words in s. 59A(8) substituted (10.7.2003) by [Finance Act 2003 \(c. 14\)](#), **s. 145(7)(a)**
- F19** S. 59A(10) inserted (with effect in accordance with s. 121(8) of the amending Act) by [Finance Act 1996 \(c. 8\)](#), **s. 126(1)**
- F20** Words in s. 59A(10) substituted (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), **Sch. 6 para. 130(b)** (with Sch. 7)
- F21** Words in s. 59A(10) substituted (10.7.2003) by [Finance Act 2003 \(c. 14\)](#), **s. 145(7)(b)**

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
- C3** S. 59A: power to modify conferred (with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), **ss. 972(4), 1034(1)** (with Sch. 2)
- C4** S. 59A modified (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), **s. 137(5)(7), 381(1)** (with Sch. 9 paras. 1-9, 22)

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