



# Finance Act 1992

## 1992 CHAPTER 20

### *Value added tax*

#### **7 Serious misdeclaration, default surcharge, etc**

- (1) In section 14(1) of the Finance Act 1985 (penalty equal to 20 per cent. of tax lost imposed for serious misdeclaration or neglect resulting in understatements or overclaims), for “20 per cent.” there shall be substituted “15 per cent.”
- (2) In section 19(5) of that Act (specified percentages for default surcharge), for the words from “and” at the end of paragraph (b) to the end of the subsection there shall be substituted—
  - “(c) in relation to the third such period, the specified percentage is 15 per cent.; and
  - (d) in relation to each such period after the third, the specified percentage is 20 per cent.”
- (3) Subject to subsection (4) below, subsection (1) above shall apply where a penalty is assessed after 10th March 1992 in relation to a prescribed accounting period beginning on or after 1st April 1990.
- (4) Subsection (1) above shall not apply in the case of a supplementary assessment if the original assessment was made on or before 10th March 1992.
- (5) Subsection (2) above shall apply in relation to any liability to a surcharge arising on or after 1st April 1992.