

SCHEDULES

SCHEDULE 2

VALUE ADDED TAX: PENALTIES ETC.

Interest on tax etc. recovered or recoverable by assessment

- 4 (1) In subsections (1) and (3) of section 18 of the 1985 Act (interest on tax etc. recovered or recoverable by assessment), after the word “shall”, in each subsection, there shall be inserted “(subject to subsection (3A) below)”.
- (2) After subsection (3) of that section there shall be inserted the following subsection—
- “(3A) Where (apart from this subsection)—
- (a) the period before the assessment in question for which any amount would carry interest under subsection (1) above; or
 - (b) the period for which any amount would carry interest under subsection (3) above,
- would exceed three years, the part of that period for which that amount shall carry interest under that subsection shall be confined to the last three years of that period.”
- (3) This paragraph shall apply in relation to interest on amounts assessed or, as the case may be, paid on or after such day as the Treasury may by order made by statutory instrument appoint.