

FINANCE ACT 2009

EXPLANATORY NOTES

INTRODUCTION

Section 102 Schedule 54: Repayment Interest on Sums to Be Paid by Hmrc

Background Note

22. [Section 102](#) is designed to apply repayment interest on a simple and consistent basis to all overpayments of tax. The section sets out the general rules for applying repayment interest on sums to be repaid by HMRC ‘under or by virtue of an enactment’.
23. Both corporation tax and petroleum revenue tax are excluded from the Finance Act 2009 legislation which does not currently accommodate either tax. The intention is to introduce parallel legislation for both taxes in the Finance Act 2010.
24. [Schedule 54](#) sets out the exceptions to the general rules set out in the section regarding repayment interest and covers how repayment interest will operate in particular situations. The provisions cover particular regime-specific rules. Although the aim is to harmonise the application of interest across taxes, some rules of this kind are necessary given the different structure and operation of the various taxes.
25. [Part 1](#) of the Schedule sets out the general rule for applying late payment interest.
26. [Part 2](#) sets out the specific rules to apply where the repayment interest start date does not follow the general rule.
27. [Part 3](#) sets out how any repayment is to be apportioned for specific taxes and in specific circumstances. It goes on to give the definition for income tax deducted at source.