

1975 No. 1283

INCOME TAX

The Income Tax (Repayment Supplement) Regulations 1975

<i>Made</i>	- - - - -	1st August 1975
<i>Coming into Operation</i>	- -	1st August 1975
<i>Laid before the House of Commons</i>		1st August 1975

The Commissioners of Inland Revenue, in exercise of the powers conferred upon them by section 47(6) of the Finance (No. 2) Act 1975(a), hereby make the following Regulations:—

Citation and Commencement

1. These Regulations may be cited as the Income Tax (Repayment Supplement) Regulations 1975, and shall come into operation forthwith.

Interpretation

2. The Interpretation Act 1889(b) shall apply for the interpretation of these Regulations as it applies for the interpretation of an Act of Parliament.

3. In these Regulations, unless the context otherwise requires:—

“the Principal Regulations” means the Income Tax (Employments) Regulations 1973(c) as amended(d), and words and expressions to which meanings are assigned by the Principal Regulations, or in which other words or expressions are stated in the Principal Regulations to be included, are to be interpreted in accordance with the Principal Regulations;

“adjusted overpayment” means an overpayment adjusted (if necessary) in accordance with Regulation 5 of these Regulations;

“overpayment” means the difference, calculated in accordance with the provisions of Regulation 49 of the Principal Regulations, between the total net tax deducted from an employee’s emoluments during any year and the tax payable under an assessment for that year;

“previous year” means, in relation to any year, the last year before that year for which any tax overpaid or remaining unpaid has been included in an adjustment made under Regulation 49(3)(b) of the Principal Regulations to the total net tax deducted for that year;

“underpayment” means the excess, calculated in accordance with the provisions of that Regulation 49 of the Principal Regulations, of the tax payable under an assessment for any year over the total net tax deducted from an employee’s emoluments during that year.

(a) 1975 c. 45.

(b) 1889 c. 63.

(c) S.I. 1973/334 (1973 I, p. 1147).

(d) The amending Regulations are S.I. 1974/2102, 1975/728 (1974 III, p. 8189; 1975 II, p. 2).

Attribution of Repayments

4.—(1) A repayment for any year to which section 47(6) of the Finance (No. 2) Act 1975 applies shall, for the purposes of that subsection be attributed in accordance with the following provisions of this Regulation.

(2) If there is no adjusted overpayment for the previous year, the whole of the repayment shall be attributed to the year for which the repayment is due.

(3) Subject to the provisions of paragraph (4) of this Regulation:

- (a) if there is an adjusted overpayment for the previous year and the repayment does not exceed that adjusted overpayment, the repayment shall be wholly attributed to the previous year;
- (b) if there is an adjusted overpayment for the previous year and the repayment exceeds that adjusted overpayment, the excess shall be attributed to the year for which the repayment is due, and the balance to the previous year.

(4) If there is an adjusted overpayment for a year earlier than the previous year, paragraph (3) of this Regulation shall apply to so much of the repayment as is, under that paragraph, attributed to the previous year, as though that amount were a repayment due for the previous year, and so on successively until no further attribution is possible under this Regulation.

5.—(1) In determining, for the purposes of attributing a repayment (in this Regulation called the relevant repayment) in accordance with the preceding Regulation, whether for any year there is an adjusted overpayment, and if so its amount, any overpayment or underpayment shall be adjusted, if necessary, in accordance with the provisions of this Regulation.

(2) Any tax paid to the Collector in respect of an underpayment for any year shall be treated as tax paid for that year and added to the overpayment or deducted from the underpayment for that year.

(3) Paragraphs (4) to (6) of this Regulation apply to a repayment of an overpayment made prior to the relevant repayment, whether or not it was made, before the making of this Regulation, if either:

- (a) it was a repayment for the same year for which the relevant repayment is due, or
- (b) it was a repayment for an earlier year which, if paragraphs (4) to (6) of this Regulation applied to it, would affect the attribution of the relevant repayment under Regulation 4 of these Regulations.

(4) If a repayment to which this paragraph applies was a repayment to which section 47(6) of the Finance (No. 2) Act 1975 applied, any amount attributable to any year under these Regulations shall be deducted from the overpayment or added to the underpayment for that year and any subsequent year for which an adjustment was made under Regulation 49(3)(b) of the Principal Regulations in respect of the tax which was repaid.

(5) If a repayment to which this paragraph applies was a repayment to which that subsection did not apply, for the purposes of this Regulation it shall be attributed, by reference to the circumstances at the time it was made, to such years and in such amounts as the provisions of these Regulations would have required had it been a repayment to which that subsection applied, and any amount so attributed to any year shall be deducted from the overpayment or added to the underpayment for that year and any subsequent year for which an adjustment was made under Regulation 49(3)(b) of the Principal Regulations in respect of the tax which was repaid.

(6) If there is more than one repayment to which paragraph (3) of this Regulation applies:—

- (a) the repayment made first shall be attributed in accordance with paragraphs (4) or (5) of this Regulation (as appropriate);
- (b) each repayment subsequently made shall be so attributed successively, starting with the second repayment made, and taking into account any adjustment of any overpayment or underpayment resulting from the attribution under this Regulation of any repayment made prior to it.

By Order of the Commissioners of Inland Revenue.

J. D. Taylor Thompson,
Secretary.

1st August 1975.

EXPLANATORY NOTE

(This Note is not part of the Regulations.)

These Regulations supplement for assessments made under Schedule E the provisions of section 47 of the Finance (No. 2) Act 1975 for the payment of interest (called Repayment Supplement) in certain cases in which income tax repayments are made. Because such assessments may include adjustments for tax overpaid or underpaid in earlier years, any overpayment assessed may relate in whole or in part to previous years. These Regulations set out the rules for attributing such overpayments to the appropriate year of assessment for Repayment Supplement purposes. Under the Regulations repayments are regarded as relating as far as possible to the earliest year in which there is an overpayment which has not previously been repaid or effectively used to satisfy an underpayment which would otherwise have arisen subsequently.

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