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STATUTORY INSTRUMENTS

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**1993 No. 744**

**The Income Tax (Employments) Regulations 1993**

**PART V**

**PAYMENT AND RECOVERY OF TAX, ETC.**

*Interest on tax overpaid*

**Interest on tax overpaid by employer**

**53.**—(1) Where tax in respect of the year ended 5th April 1993 or any subsequent year is repaid to an employer in the circumstances specified in paragraph (2), the tax repaid shall carry interest at the prescribed rate from the relevant time until the order for the repayment is issued.

(2) The circumstances specified in this paragraph are where the tax is repaid—

- (a) after the end of the year following that in respect of which the tax was paid, and
- (b) after the end of the year in which the tax was paid.

(3) In this regulation “the prescribed rate” means the rate applicable under section 178 of the Finance Act 1989 for the purposes of section 824 of the Taxes Act<sup>(1)</sup>; and where that rate changes on an operative date within the meaning given by regulation 2 of the Taxes (Interest Rate) Regulations 1989 by virtue of those Regulations, the change shall have effect for periods beginning on or after the operative date in relation to interest running from before that date as well as from or from after that date.

(4) In this regulation “the relevant time” means—

- (a) in the case of a repayment of tax which was paid more than twelve months after the end of the year in respect of which the payment was made, the end of the year in which that tax was paid; and
- (b) in any other case, the end of the year after the year in respect of which the payment was made.

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<sup>(1)</sup> Section 824 was amended by paragraph 7 of Schedule 13 to the Finance Act 1988, sections 110(5), 111(4), 158(2) and 179(1) of, and Parts IV, VIII and X of Schedule 17 to, the Finance Act 1989, and sub-paragraphs (1) and (52) of paragraph 14 of Schedule 10 to the Taxation of Chargeable Gains Act 1992.