
STATUTORY INSTRUMENTS

1994 No. 1774

The Insurance Premium Tax Regulations 1994

PART IV

CLAIMS IN RESPECT OF CREDIT

Scope

17.—(1) This Part applies where an insurer has paid tax and all or part of the premium on which the tax was charged is repaid.

(2) Where an insurer receives a premium in an accounting period and repays that premium or part of it in that accounting period, this Part shall apply as if the tax on the premium had already been paid by him.

(3) This Part applies subject to regulation 7.

Claims in returns

18.—(1) Where this Part applies, the insurer shall be entitled to credit of an amount which represents the difference between the amount of tax paid by him and the amount of tax he would have been liable to pay had the premium received by him been reduced or extinguished, as the case may be, by the amount of the repayment.

(2) Subject to paragraph (3) below, an insurer who is entitled to credit under this Part may claim it by deducting its amount from any tax due from him for the accounting period in which the premium was repaid or any subsequent accounting period and, where he does so, he shall make his return for that accounting period accordingly.

(3) Where the Commissioners have given a special or general direction under section 55(5) of the Act prescribing rules according to which any credit may or shall be held over to an accounting period subsequent to that in which the premium or part was repaid, that credit, subject to any subsequent such direction varying or withdrawing the rules, may only be claimed in accordance with those rules.

Payments in respect of credit

19.—(1) Subject to paragraph (5) below, where the total credit claimed by the insurer in accordance with this Part exceeds the total of the tax due from him for the accounting period, the Commissioners shall pay to him an amount equal to the excess.

(2) Where the Commissioners have cancelled the registration of an insurer in accordance with section 53(5) of the Act, and he is not a registrable person, he shall make any claim in respect of credit to which this Part applies by making an application in writing.

(3) An insurer making an application under paragraph (2) above shall furnish to the Commissioners full particulars in relation to the credit claimed, including (but not restricted to)—

- (a) the return in which the relevant tax was accounted for;
- (b) the date and manner of payment of that tax;

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(c) the date of the repayment of the premium or part; and

(d) the amounts of both the tax which was paid and the repayment.

(4) Subject to paragraph (5) below, where the Commissioners are satisfied that the insurer is entitled to credit as claimed by him, and that he has not previously had the benefit of that credit, they shall pay to him an amount equal to the credit.

(5) The Commissioners shall not be liable to make any payment under this regulation unless and until the insurer has made all the returns which he was required to make.