
STATUTORY INSTRUMENTS

1996 No. 1312

**The Income Tax (Employments)
(Amendment No. 3) Regulations 1996**

Amendments to the principal Regulations

10. After regulation 53 there shall be inserted—

“Interest on tax overpaid by employer—1996—97 and subsequent years

53A.—(1) Where tax in respect of the year ended 5th April 1997 or any subsequent year is repaid to an employer after the end of the year in respect of which the tax was paid, the tax repaid shall carry interest at the prescribed rate—

- (a) from the 14th day after the end of the year in respect of which the tax was paid or, if later,
- (b) from the date on which the payment of tax for that year was made.

(2) In paragraph (1) “the prescribed rate” means the rate applicable under section 178 of the Finance Act 1989(1) for the purposes of section 824 of the Taxes Act(2); and where that rate changes on an operative date within the meaning given by regulation 2 of the Taxes (Interest Rate) Regulations 1989(3) 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.”

(1) Section 178 was amended by section 17(10) of the Social Security Act 1990 (c. 27), paragraph 107 of Schedule 2 to the Social Security (Consequential Provisions) Act 1992 (c. 6), paragraph 19(4) of Schedule 10 to the Taxation of Chargeable Gains Act 1992 (c. 12) and paragraph 5 of Schedule 11 to the Finance (No. 2) Act 1992 (c. 48).

(2) Section 824 of the Income and Corporation Taxes Act 1988 was amended by paragraph 7 of Schedule 13 to the Finance Act 1988, sections 110(5), 111(4), 158(2)(b) and 179(1)(a)(vii) of, and Parts IV, VIII and X of Schedule 17 to, the Finance Act 1989, paragraph 14(52) of Schedule 10 to the Taxation of Chargeable Gains Act 1992, and paragraph 41 of Schedule 19, and Part V (23) of Schedule 26, to the Finance Act 1994.

(3) S.I.1989/1297.