
STATUTORY INSTRUMENTS

1999 No. 2637

**INCOME TAX
INHERITANCE TAX
TAXES**

The Taxes (Interest Rate) (Amendment No. 4) Regulations 1999

<i>Made</i>	- - - -	<i>21st September 1999</i>
<i>Laid before the House of Commons</i>	- - - -	<i>22nd September 1999</i>
<i>Coming into force</i>	- -	<i>14th October 1999</i>

The Treasury, in exercise of the powers conferred on them by section 178 of the Finance Act 1989⁽¹⁾, hereby make the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Taxes (Interest Rate) (Amendment No. 4) Regulations 1999 and shall come into force on 14th October 1999.

Interpretation

2. In these Regulations “the principal Regulations” means the Taxes (Interest Rate) Regulations 1989⁽²⁾ and “regulation” means a regulation of the principal Regulations.

Amendments to the principal Regulations

3. In regulation 3AA(1)(3) after the word “shall,” there shall be inserted the words “except where regulation 3AC applies and”.

4. After regulation 3AB there shall be inserted the following regulation—

(1) 1989 c. 26; section 178 was amended by paragraph 44 of Schedule 19 to the Finance Act 1994 (c. 9).
(2) S.I. 1989/1297; a relevant amending instrument is S.I. 1996/3187.
(3) Regulations 3AA and 3AB were inserted by regulation 2 of S.I. 1996/3187.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

“**3AC.**—(1) For the purposes of section 87 of the Taxes Management Act 1970⁽⁴⁾ in so far as it relates to tax that becomes due and payable on or after 14th October 1999, the rate applicable under section 178 shall, subject to paragraph (2), be 7.5 per cent. per annum.

(2) Where on a reference date after 14th October 1999 the reference rate found on that date differs from the established rate, the rate applicable under section 178 for the purposes mentioned in paragraph (1) shall, on and after the next operative date, be the percentage per annum found by applying the formula specified in paragraph (3).

(3) The formula specified in this paragraph is—

$$RR + 2.5$$

where

RR is the reference rate referred to in paragraph (2).”

Jim Dowd
Gordon Brown
Two of the Lords Commissioners of Her
Majesty’s Treasury

21st September 1999

(4) 1970 c. 9. Section 87 was substituted by section 111 of, and paragraph 10 of Schedule 24 to, the Finance Act 1972 (c. 41), and the section as substituted was amended by section 46(3) of the Finance (No. 2) Act 1975 (c. 45), section 62(1) and (2) of the Finance Act 1980 (c. 48), paragraph 32 of Schedule 29 to the Income and Corporation Taxes Act 1988 (c. 1), section 179(1)(b)(i) of, and Part VIII of Schedule 17 to, the Finance Act 1989 and paragraph 3 of Schedule 3, and Part III(2) of Schedule 27, to the Finance Act 1998 (c. 36).

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Taxes (Interest Rate) Regulations 1989 (S.I. [1989/1297](#)) so as to impose a new rate of interest under section 87 of the Taxes Management Act 1970 (interest on income tax on company payments) on amounts of tax becoming due and payable on or after 14th October 1999. The new rate of interest imposed by these Regulations applies also to tax becoming due and payable under the following Regulations—

- the Income Tax (Entertainers and Sportsmen) Regulations 1987 (S.I. [1987/530](#));
- the Income Tax (Building Societies) (Dividends and Interest) Regulations 1990 (S.I. [1990/2231](#));
- the Income Tax (Manufactured Overseas Dividends) Regulations 1993 (S.I. [1993/2004](#));
- the Taxation of Income from Land (Non-residents) Regulations 1995 (S.I. [1995/2902](#));
- the Manufactured Interest (Tax) Regulations 1997 (S.I. [1997/992](#)).