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STATUTORY INSTRUMENTS

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**2005 No. 2045**

The Income Tax (Construction  
Industry Scheme) Regulations 2005

PART 3

PAYMENT AND RECOVERY OF AMOUNTS DEDUCTED UNDER SECTION 61

**Interest on amount overpaid**

**15.**—(1) This regulation applies if an amount is repaid to a contractor after the end of the tax year in respect of which the amount was paid.

(2) The amount repaid carries interest at the prescribed rate from the relevant time until the order for the repayment is issued (“the interest period”).

(3) In paragraph (2) “the relevant time” means—

(a) in the case of a repayment of an amount which was paid more than 12 months after the end of the tax year in respect of which the payment was made, the end of the tax year in which that amount was paid; and

(b) in any other case, the end of the tax year after the tax year in respect of which the payment was made.

(4) Any change made to the prescribed rate during the interest period applies to the amount repaid from the date of the change.

(5) “The prescribed rate” means the rate applicable under section 178 of the Finance Act 1989 for the purposes of section 824 of ICTA(1) (repayment supplements).

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(1) Section 824 was amended by paragraph & of Schedule 17 to the Finance Act 1988 (c. 39), sections 110(5), 111(4), 158(2) and 179(1) of, and Parts 4, 8 and 10 of Schedule 17 to, the Finance Act 1989 (c. 26), paragraph 14(52) of Schedule 10 to the Taxation of Chargeable Gains Act 1992 (c. 12), paragraph 41 of Schedule 19 to the Finance Act 1994 (c. 9), section 92 of the Finance Act 1997 (c. 16), section 41 of the Finance Act 1999 (c. 16), section 90 of the Finance Act 2001 (c. 9) and paragraph 104 of Schedule 6 to ITEPA.