

2008 No. 778

TAXES

SOCIAL SECURITY

The Taxes (Interest Rate) (Amendment) Regulations 2008

Made - - - - - *19th March 2008*
Laid before the House of Commons *19th March 2008*
Coming into force - - - *6th April 2008*

The Treasury make the following Regulations in exercise of the powers conferred by section 178(1) to (3) of the Finance Act 1989(a).

Citation and commencement

1. These Regulations may be cited as the Taxes (Interest Rate) (Amendment) Regulations 2008 and shall come into force on 6th April 2008.

Amendment of the Taxes (Interest Rate) Regulations 1989

2. In the Taxes (Interest Rate) Regulations 1989(b), in regulation 3AB(3)—
- (a) in the specified formula for “LR” substitute “BR”, and
 - (b) for “LR is the percentage at which income tax at the lower rate” substitute “BR is the percentage at which income tax at the basic rate”.

19th March 2008

Alan Campbell
Frank Roy
Two of the Lords Commissioners of Her Majesty’s Treasury

(a) 1989 c. 26; section 178(2) was relevantly amended by 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), section 110(9) of the Finance Act 1999 (c. 16) and paragraph 4 of Schedule 18 to the Finance Act 2003 (c. 14).
(b) S.I. 1989/1297; regulation 3AB was inserted by S.I. 1996/3187, and amended by S.I. 1999/2538 and 2005/3462.

EXPLANATORY NOTE

(This note is not part of the Regulations)

The Taxes (Interest Rate) Regulations 1989 (as amended) (“the 1989 Regulations”), made under powers conferred by section 178 of the Finance Act 1989, specify the interest rates applicable for the purposes of the enactments specified in section 178(2) of that Act. Regulation 3AB of the 1989 Regulations specifies the interest rate applicable for the purposes of some of those enactments which deal with the making of repayments by Her Majesty’s Revenue and Customs.

These Regulations amend regulation 3AB of the 1989 Regulations to take account of the changes in the manner in which income is charged to income tax which, it is anticipated, may have effect for 2008-09 and later tax years.

These Regulations do not impose any costs on business.

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