



Tax Collection and Management (Wales) Act 2016

2016 anaw 6

PART 5

PENALTIES

CHAPTER 2

PENALTIES FOR FAILURE TO MAKE RETURNS OR PAY TAX [^{F1}OR AMOUNTS PAYABLE IN RESPECT OF TAX CREDITS]

Penalty for failure to make tax return

118 Penalty for failure to make tax return on or before filing date

[^{F1}(1)] A person [^{F2}who is required to make a tax return] is liable to a penalty of £100 if the person fails to make a tax return on or before the filing date.

[^{F3}(2) But see section 118A for an exception to the rule above.]

Textual Amendments

- F1** S. 118 renumbered as s. 118(1) (1.4.2018) by [Landfill Disposals Tax \(Wales\) Act 2017 \(anaw 3\)](#), s. 97(2), [Sch. 4 para. 9\(a\)](#); S.I. 2018/35, art. 3
- F2** Words in s. 118 inserted (1.4.2018) by [Land Transaction Tax and Anti-avoidance of Devolved Taxes \(Wales\) Act 2017 \(anaw 1\)](#), s. 81(2)(3), [Sch. 23 para. 39](#); S.I. 2018/34, art. 3
- F3** S. 118(2) inserted (1.4.2018) by [Landfill Disposals Tax \(Wales\) Act 2017 \(anaw 3\)](#), s. 97(2), [Sch. 4 para. 9\(b\)](#); S.I. 2018/35, art. 3

Commencement Information

- I1** S. 118 in force at 1.4.2018 by [S.I. 2018/33](#), art. 3

Changes to legislation: There are currently no known outstanding effects for the Tax Collection and Management (Wales) Act 2016, Cross Heading: Penalty for failure to make tax return. (See end of Document for details)

[^{F4}118A Penalties for multiple failures to make tax returns in respect of landfill disposals tax

- (1) Where a person becomes liable to a penalty under section 118 in respect of a tax return that the person is required to make under section 39 of LDTA, a penalty period—
 - (a) begins with the day after the filing date for the tax return, and
 - (b) ends 12 months later, unless extended under subsection (2)(b).
- (2) If, before the end of the penalty period, the person is required to make another tax return under section 39 of LDTA (“tax return B”) but fails to do so on or before the filing date for tax return B—
 - (a) the person is not liable to a penalty under section 118 in respect of that failure but is liable to a penalty under this section instead, and
 - (b) the penalty period is extended so that it ends 12 months after the filing date for tax return B.
- (3) The amount of the penalty to which a person is liable under this section is determined by reference to the number of tax returns that the person—
 - (a) has been required to make under section 39 of LDTA during the penalty period, but
 - (b) has failed to make on or before the filing dates for those returns.
- (4) If the failure to make tax return B on or before the filing date is the person's first failure during the penalty period, P is liable to a penalty of £200 in respect of that failure.
- (5) If the failure to make tax return B on or before the filing date is the person's second failure during the penalty period, P is liable to a penalty of £300 in respect of that failure.
- (6) If the failure to make tax return B on or before the filing date is the person's third or subsequent failure during the penalty period, P is liable to a penalty of £400 in respect of that failure.
- (7) A penalty period may be extended more than once under subsection (2)(b).]

Textual Amendments

- F4** S. 118A inserted (1.4.2018) by [Landfill Disposals Tax \(Wales\) Act 2017 \(anaw 3\)](#), ss. 74, 97(2); S.I. 2018/35, art. 3

119 Penalty for failure to make tax return within 6 months from filing date

- (1) A person [^{F5}who is required to make a tax return] is liable to a penalty if the person's failure to make a tax return continues after the end of the period of 6 months beginning with the day after the filing date.
- (2) The penalty is the greater of—
 - (a) 5% of the amount of the devolved tax to which the person would have been liable if the tax return had been made, and
 - (b) £300.

Changes to legislation: There are currently no known outstanding effects for the Tax Collection and Management (Wales) Act 2016, Cross Heading: Penalty for failure to make tax return. (See end of Document for details)

Textual Amendments

- F5** Words in s. 119(1) inserted (1.4.2018) by [Land Transaction Tax and Anti-avoidance of Devolved Taxes \(Wales\) Act 2017 \(anaw 1\)](#), s. 81(2)(3), **Sch. 23 para. 40**; S.I. 2018/34, art. 3

Commencement Information

- I2** S. 119 in force at 1.4.2018 by [S.I. 2018/33](#), **art. 3**

120 Penalty for failure to make tax return within 12 months from filing date

- (1) A person [^{F6}who is required to make a tax return] is liable to a penalty if the person's failure to make a tax return continues after the end of the period of 12 months beginning with the day after the filing date.
- (2) Where, by failing to make the tax return, the person deliberately withholds information which would enable or assist WRA to assess the person's liability to a devolved tax, the penalty is [^{F7}—
 - (a) £300, or
 - (b) a greater amount, not exceeding 95% of the amount of devolved tax to which the person would have been liable if the tax return had been made.]
- (3) In any case not falling within subsection (2), the penalty is the greater of—
 - (a) 5% of the amount of the devolved tax to which the person would have been liable if the tax return had been made, and
 - (b) £300.

Textual Amendments

- F6** Words in s. 120(1) inserted (1.4.2018) by [Land Transaction Tax and Anti-avoidance of Devolved Taxes \(Wales\) Act 2017 \(anaw 1\)](#), s. 81(2)(3), **Sch. 23 para. 41(a)**; S.I. 2018/34, art. 3
- F7** Words in s. 120(2) substituted (1.4.2018) by [Land Transaction Tax and Anti-avoidance of Devolved Taxes \(Wales\) Act 2017 \(anaw 1\)](#), s. 81(2)(3), **Sch. 23 para. 41(b)**; S.I. 2018/34, art. 3

Commencement Information

- I3** S. 120 in force at 1.4.2018 by [S.I. 2018/33](#), **art. 3**

121 Reduction in penalty for failure to make tax return: disclosure

- (1) WRA may reduce a penalty under section 118, [^{F8}118A,] 119 or 120 if the person discloses information which has been withheld as a result of a failure to make a tax return (“relevant information”).
- (2) A person discloses relevant information by—
 - (a) telling WRA about it,
 - (b) giving WRA reasonable help in quantifying any devolved tax unpaid by reason of the information having been withheld, and
 - (c) allowing WRA access to records for the purpose of checking how much devolved tax is so unpaid.
- (3) In reducing a penalty under this section, WRA may take account of—

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- (a) whether the disclosure was prompted or unprompted, and
 - (b) the quality of the disclosure.
- (4) Disclosure of relevant information—
- (a) is “unprompted” if made at a time when the person making the disclosure has no reason to believe that WRA has discovered or is about to discover the relevant information, and
 - (b) otherwise, is “prompted”.
- (5) “Quality”, in relation to disclosure, includes timing, nature and extent.

Textual Amendments

F8 Word in [s. 121\(1\)](#) inserted (1.4.2018) by [Landfill Disposals Tax \(Wales\) Act 2017 \(anaw 3\)](#), [s. 97\(2\)](#), [Sch. 4 para. 10](#); [S.I. 2018/35](#), [art. 3](#)

Commencement Information

I4 S. 121 in force at 1.4.2018 by [S.I. 2018/33](#), [art. 3](#)

Changes to legislation:

There are currently no known outstanding effects for the Tax Collection and Management (Wales) Act 2016, Cross Heading: Penalty for failure to make tax return.