

# **REVENUE SCOTLAND AND TAX POWERS ACT 2014**

---

## **EXPLANATORY NOTES**

### **THE ACT**

#### **Part 9 – Interest on Payments Due to Or by Revenue Scotland**

##### ***Section 217 – Interest on unpaid tax***

256. This section provides that interest is payable by the taxpayer on unpaid tax. Interest is payable from the “relevant date” until the tax is paid. Subsection (2) confers a power on the Scottish Ministers to make, by regulations, further provision to specify the date for payment of the devolved tax. Such regulations are subject to the negative procedure. If the taxpayer lodges an amount of money with Revenue Scotland in respect of the tax payable then the amount on which interest is payable is reduced by the amount lodged. Regulations made by the Scottish Ministers under section 220 will specify the rate at which interest will be calculated.

##### ***Section 218 – Interest on penalties***

257. This section provides that interest is payable by the taxpayer on unpaid penalties. If penalties are not paid on the date they are due, then interest is payable from that date until the penalty is paid. Regulations made by the Scottish Ministers under section 220 will specify the rate at which interest will be calculated.

##### ***Section 219 – Interest on repayment of tax overpaid etc.***

258. This section provides that interest is payable by Revenue Scotland to the taxpayer on any repayment of tax, repayment on penalties or repayment of interest (on either tax or penalties). Interest also applies to repayment of any amount lodged with Revenue Scotland by the taxpayer in respect of the tax payable. Regulations made under section 220 will set out the rate at which interest on repayment will be calculated.

##### ***Section 220 – Rates of interest***

259. This section provides that Ministers will specify the rate of interest to be paid in sections 217, 218 and 219 in regulations subject to the affirmative procedure. Different rates may be set for different taxes and different penalties.