

*These notes relate to the Revenue Scotland and Tax Powers Act 2014 (asp 16) which received Royal Assent on 24 September 2014*

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

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## **EXPLANATORY NOTES**

### **THE ACT**

#### **Part 8 – Penalties**

#### *Chapter 3 — Penalties Relating to Inaccuracies*

#### *Section 186 – Under-assessment by Revenue Scotland*

223. This section provides that a penalty is payable by a person where an assessment issued by Revenue Scotland (as defined under section 98) understates the tax liability and the person has failed to take reasonable steps to inform Revenue Scotland of that fact within 30 days of receiving the understatement. Revenue Scotland must consider whether the person knew, or should reasonably have known, about the under-assessment. References to a Revenue Scotland assessment include a Revenue Scotland determination (as defined under section 95). The penalty amount is calculated with reference to the potential lost revenue and is 30% of the potential lost revenue. Potential lost revenue is defined in sections 187 to 190.