



# Revenue Scotland and Tax Powers Act 2014

2014 asp 16

## PART 8

### PENALTIES

#### CHAPTER 3

##### PENALTIES RELATING TO INACCURACIES

###### *Penalties for inaccuracies in taxpayer documents*

#### **182 Penalty for inaccuracy in taxpayer document**

- (1) A penalty is payable by a person (“P”) where—
  - (a) P gives Revenue Scotland a document of a kind mentioned in the table below, and
  - (b) conditions A and B below are met.
- (2) Condition A is that the document contains an inaccuracy which amounts to, or leads to—
  - (a) an understatement of a liability to tax,
  - (b) a false or inflated statement of a loss, exemption or relief, or
  - (c) a false or inflated claim for relief or to repayment of tax.
- (3) Condition B is that the inaccuracy was—
  - (a) deliberate on P’s part (“a deliberate inaccuracy”), or
  - (b) careless on P’s part (“a careless inaccuracy”).
- (4) An inaccuracy is careless if it is due to a failure by P to take reasonable care.
- (5) An inaccuracy in a document given by P to Revenue Scotland, which was neither deliberate nor careless on P’s part when the document was given, is to be treated as careless if P—

---

*Status: This is the original version (as it was originally enacted).*

---

- (a) discovered the inaccuracy at some later time, and
  - (b) did not take reasonable steps to inform Revenue Scotland.
- (6) Where a document contains more than one inaccuracy, a penalty is payable for each inaccuracy.

	<i>Tax</i>	<i>Document</i>
1.	Land and buildings transaction tax	<ul style="list-style-type: none"> <li>(a) Return under section 29, 31, 33 or 34 of the LBTT(S) Act 2013.</li> <li>(b) Return under paragraph 10, 11, 20, 22 or 30 of Schedule 19 to the LBTT(S) Act 2013.</li> <li>(c) Application under section 41 of the LBTT(S) Act 2013.</li> <li>(d) Amended return under section 83 of this Act.</li> <li>(e) Claim under section 106, 107 or 108 of this Act.</li> </ul>
2.	Scottish landfill tax	<ul style="list-style-type: none"> <li>(a) Return under regulations made under section 25 of the LT(S) Act 2014.</li> <li>(b) Amended return under section 83 of this Act.</li> <li>(c) Claim under section 106, 107 or 108 of this Act.</li> </ul>

(7) Section 183 applies in the case of a document falling within item 1 or 2 of the table.

### **183 Amount of penalty for inaccuracy in taxpayer document**

- (1) This section sets out the penalty payable under section 182.
- (2) For a deliberate inaccuracy, the penalty is 100% of the potential lost revenue.
- (3) For a careless inaccuracy, the penalty is 30% of the potential lost revenue.
- (4) In this section and sections 185 and 186 “potential lost revenue” has the meaning given in sections 187 to 190.

### **184 Suspension of penalty for careless inaccuracy under section 182**

- (1) Revenue Scotland may suspend all or part of a penalty for a careless inaccuracy under section 182 by notice to P.
- (2) A notice must specify—
  - (a) what part of the penalty is to be suspended,
  - (b) a period of suspension not exceeding 2 years, and

- (c) conditions of suspension to be complied with by P.
- (3) Revenue Scotland may suspend all or part of a penalty only if compliance with a condition of suspension would help P to avoid becoming liable to further penalties under section 182 for careless inaccuracy.
- (4) A condition of suspension may specify—
  - (a) action to be taken,
  - (b) a period within which it may be taken.
- (5) On the expiry of the period of suspension—
  - (a) if P satisfies Revenue Scotland that the conditions of suspension have been complied with, the suspended penalty or part is cancelled, and
  - (b) otherwise, the suspended penalty or part becomes payable.
- (6) If, during the period of suspension of all or part of a penalty under section 182, P becomes liable for another penalty under that section, the suspended penalty or part becomes payable.