

Draft Regulations laid before the Scottish Parliament under section 254(3)(m) of the Revenue Scotland and Tax Powers Act 2014 for approval by resolution of the Scottish Parliament.

DRAFT SCOTTISH STATUTORY INSTRUMENTS

2015 No.

TAXES

The Revenue Scotland and Tax Powers Act (Interest on Unpaid Tax and Interest Rates in General) Regulations 2015

<i>Made</i>	-	-	-	-	2015
<i>Coming into force</i>	-	-			<i>1st April 2015</i>

The Scottish Ministers make the following Regulations in exercise of the powers conferred by sections 217(2) and 220(1) of the Revenue Scotland and Tax Powers Act 2014⁽¹⁾ and all other powers enabling them to do so.

In accordance with section 254(3)(m) of that Act, a draft of this instrument has been laid before and approved by resolution of the Scottish Parliament.

PART 1

GENERAL

Citation and commencement

1. These Regulations may be cited as the Revenue Scotland and Tax Powers Act (Interest on Unpaid Tax and Interest Rates in General) Regulations 2015 and come into force on 1st April 2015.

Interpretation

2. In these Regulations, “the Act” means the Revenue Scotland and Tax Powers Act 2014.

PART 2

Interest on unpaid tax

Interpretation of Part 2

3. In this Part—

“disqualifying event” means—

- (a) in relation to the withdrawal of relief under Schedule 4 (relief for certain acquisitions of residential property) to the LBTT(S) Act 2013, an event listed in section 33(4)(a) of that Act;
- (b) in relation to the withdrawal of relief under Schedule 5(2) (relief for transfer of multiple dwellings) to the LBTT(S) Act 2013, an event listed in section 33(4)(b) of that Act;
- (c) in relation to the withdrawal of relief under Schedule 8 (relief for alternative finance investment bonds) to the LBTT(S) Act 2013, an event listed in section 33(4)(c) of that Act;
- (d) in relation to the withdrawal of group relief, the buyer ceasing to be a member of the same group as the seller in terms of paragraph 14 of Schedule 10 to the LBTT(S) Act 2013;
- (e) in relation to the withdrawal of relief under Schedule 10A(3) (sub-sale development relief) to the LBTT(S) Act 2013, an event listed in section 33(4)(da) of that Act;
- (f) in relation to the withdrawal of reconstruction or acquisition relief, the change of control of the acquiring company in terms of paragraph 13 of Schedule 11 to the LBTT(S) Act 2013; or
- (g) in relation to the withdrawal of charities relief, a disqualifying event as defined in paragraphs 5 and 6 of Schedule 13 to the LBTT(S) Act 2013; and

“filing date” means the filing date as defined in section 82 of the Act.

Relevant date

4.—(1) The “relevant date” for the purposes of section 217(1) of the Act in respect of the tax or taxes listed in Column 1 of the table below is the date specified in Column 2 corresponding with the taxes listed in Column 1.

	<i>Tax to which unpaid tax relates</i>	<i>‘Relevant date’</i>
1	All devolved taxes	<ol style="list-style-type: none"> (a) in relation to an amount, or additional amount, payable following an adjustment made under section 66(1) (counteracting tax advantages) of the Act, the filing date for the return or, if there is no return, the filing date for the return that would have been required to have been made, had the tax avoidance arrangement not been entered into or carried out; (b) in relation to an amount, or additional amount, payable following a taxpayer amendment of a return under section 83 of the Act, the filing date for that return;

(2) Schedule 5 was amended by S.S.I. 2015/XXX.

(3) Schedule 10A was inserted by S.S.I. 2015/XXX.

	<i>Tax to which unpaid tax relates</i>	<i>'Relevant date'</i>
		<p>(c) in relation to an amount, or additional amount, payable following a Revenue Scotland correction of a return under section 84 of the Act, the filing date for that return;</p> <p>(d) in relation to an amount, or additional amount, payable following a Revenue Scotland amendment of a return under section 87 of the Act, the filing date for that return;</p> <p>(e) in relation to an amount, or additional amount, payable following a Revenue Scotland amendment made in a closure notice under section 93 of the Act, the filing date for that return;</p> <p>(f) in relation to an amount, or additional amount, payable following a Revenue Scotland determination of no return made under section 95 of the Act, the relevant filing date for the return as defined in section 95(2) of that Act;</p> <p>(g) in relation to an amount, or additional amount, payable following a Revenue Scotland assessment under section 98 of the Act, the filing date for the return made by the taxpayer where there is a return; otherwise the date when a return should have been made.</p>
2	Land and buildings transaction tax	<p>(a) in the case of an amount payable because relief is withdrawn under—</p> <p>(i) Part 5 of Schedule 4 (relief for certain acquisitions of residential property) to the LBTT(S) Act 2013;</p> <p>(ii) Part 5 of Schedule 5 (relief for transfer of multiple dwellings) to the LBTT(S) Act 2013;</p> <p>(iii) Part 4 of Schedule 8 (relief for alternative property investment bonds) to the LBTT(S) Act 2013;</p> <p>(iv) Part 3 of Schedule 10 (group relief) to the LBTT(S) Act 2013;</p> <p>(v) Part 3 of Schedule 10A (sub-sale development relief) to the LBTT(S) Act 2013,</p> <p>(vi) Part 4 of Schedule 11 (reconstruction or acquisition relief) to the LBTT(S) Act 2013; or</p> <p>(vii) Schedule 13 (charities relief) to the LBTT(S) Act 2013, 30 days after the date of the disqualifying event.</p> <p>(b) in the case of a deferred payment under section 41 of the LBTT(S) Act 2013, the date when the deferred payment is due;</p> <p>(c) in a case within sections 18 or 19 (contingent, uncertain or unascertained consideration) of the LBTT(S) Act 2013 where an amount, or additional amount, is payable to Revenue Scotland, the filing date in terms of section 31(3) of that Act;</p> <p>(d) in the cases where payment is not deferred under section 41 of that Act, the filing date;</p> <p>(e) for any other return under the LBTT(S) Act 2013, the filing date.</p>
3	Scottish landfill tax	In relation to a return made under regulations made under section 25 (accounting for tax and time for payment) of the LT(S) Act 2014, the filing date.

(2) Where a person chargeable to an amount of tax dies before the amount becomes due and payable, and the executor is unable to pay the amount before obtaining confirmation, the relevant

date is the later of the date which would be the relevant date apart from this paragraph and the day after the end of the period of 30 days beginning with the grant of confirmation.

PART 3

Rates of interest in general

Meaning of “Bank of England rate”

5.—(1) Subject to paragraph (2), in regulations 6 and 7 “Bank of England rate” for a day means the official bank rate as last announced at a meeting of the Bank of England Monetary Policy Committee held prior to that day.

(2) Where a day falls within three working days of a meeting at which an announcement referred to in paragraph (1) was made, the “Bank of England rate” for that day means the rate as determined under that paragraph as if that meeting had not taken place.

(3) In paragraph (2), “working day” means any day other than a non-business day (within the meaning of section 92 of the Bills of Exchange Act 1882 (4)).

Late payment interest rate

6. The late payment of tax or penalties interest rate for the purposes of section 217 (interest on unpaid tax) and section 218 (interest on penalties) of the Act is the percentage per annum found by applying the following formula—

Bank of England rate + 2.5.

Repayment interest rate

7. The repayment interest rate for the purposes of section 219 of the Act (interest on repayment of tax overpaid etc.) is the higher of—

- (a) 0.5% per annum; and
- (b) The Bank of England rate.

St Andrew’s House,
Edinburgh
Date

Name
A member of the Scottish Government

(4) 1882 c. 61.

EXPLANATORY NOTE

(This note is not part of the Regulations)

Part 2 of these Regulations sets out the relevant dates from which interest on tax is payable including in a case where a taxpayer has died.

Part 3 of these Regulations specifies the rate of interest payable by the taxpayer on late payment of tax and penalties and the rate of interest payable to the taxpayer by Revenue Scotland on overpaid tax.