

Status: Point in time view as at 01/02/1991.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1972, SCHEDULE 24. (See end of Document for details)

SCHEDULE 24

Section 111.

TAXATION OF COMPANIES AND COMPANY DISTRIBUTIONS: CONSEQUENTIAL AMENDMENTS

Modifications etc. (not altering text)

- C1** The text of Schedule 24 is substantially in the form in which it was originally enacted: it was not reproduced in full in Statutes in Force and, except as specified, does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

Finance Act 1965

- 1, 2. **F1**

Textual Amendments

- F1** Sch. 24 paras. 1, 2 repealed by [Capital Gains Tax Act 1979 \(c. 14, SIF 63:1\)](#) s. 158, Sch. 8

Provisional Collection of Taxes Act 1968 (c. 2)

- 3 In section 5 of the Provisional Collection of Taxes Act 1968 in subsection (1)(c) after the words “section 243(6) of the Income and Corporation Taxes Act 1970” there shall be inserted the words “or advance corporation tax could be payable or assessed by virtue of section 103(2) of the Finance Act 1972”, and in subsection (2) of that section after the word “Act)” there shall be inserted the words “and the said section 103(2) of the Finance Act 1972”.

Taxes Management Act 1970

- 4 **F2**

Textual Amendments

- F2** Sch. 24 para. 4 repealed by [Finance Act 1990 \(c. 29, SIF 63:1\)](#), s. 132, [Sch. 19 Pt. V](#), Note 2

- 5 In section 11 of the Management Act, after subsection (5) there shall be added—
“(6) A notice under this section may require the inclusion in the return of particulars of advance corporation tax paid by the company (and not repaid) and of any surplus advance corporation tax carried forward under section 85(4) of the Finance Act 1972.”

- 6 **F3**

Textual Amendments

- F3** Sch. 24 para. 6 repealed by [Finance Act 1989 \(c. 26, SIF 63:1\)](#), s. 187(1), [Sch. 17 Pt. V](#), Note 6

- 7 In section 31(3)(b) of the Management Act the figure “297” (inserted by the Finance Act 1971) shall be omitted and at the end there shall be inserted “or under paragraph 5 of Schedule 16 to the Finance Act 1972”.

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8, 9. . . . F4

Textual Amendments

F4 Sch. 24 paras. 8, 9 repealed by Finance (No. 2) Act 1975 (c. 45) s. 75, Sch. 14 Part III

10 For section 87 of the Management Act there shall be substituted—

“87 Interest on overdue advance corporation tax and income tax on company payments.

(1) Any tax assessable in accordance with Schedule 14 or 20 to the Finance Act 1972 shall carry interest at the prescribed rate from the date when the tax becomes due and payable until payment.

(2) Where—

- (a) advance corporation tax paid in respect of distributions made in any return period is repaid under paragraph 4 of the said Schedule 14 in consequence of the receipt of franked investment income in a later return period; or
- (b) income tax paid in respect of payments made in any return period is repaid or discharged under paragraph 5 of the said Schedule 20 in consequence of the receipt in a later return period of a payment on which income tax is borne by deduction.

the repayment or discharge shall not affect interest under this section on the tax so repaid or discharged for such time as is specified in subsection (3) below but, subject to that, this section shall apply as if any such tax which is repaid or discharged had never become payable.

(3) The time for which interest is not affected is—

- (a) any time before the expiration of fourteen days from the end of the later return period, unless the return for that period is made earlier in those fourteen days; and
- (b) if that return is made earlier in those fourteen days, any time ending before the date on which the return is made.

(4) Interest shall not be payable under this section on the tax charged by any assessment unless the total amount of the interest exceeds [^{F5}£10]

(5) Subsection (4) above shall have effect as if all advance corporation tax due from a company in accordance with paragraph 3(1) of the said Schedule 14 for any return period, whether or not it is actually assessed, were included in a single assessment, and similarly in the case of all income tax due from a company in accordance with paragraph 4(1) of the said Schedule 20 for any return period.

(6) In this section “return period” means a period for which a return is required to be made under the said Schedule 14 or 20.

(7) It is hereby declared that this section applies to advance corporation tax and income tax which, in accordance with either of those Schedules, is paid without the making of any assessment (but is paid after it is due). and that where the tax is charged by an assessment (whether or not any part of it

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has been paid when the assessment is made) this section applies as respects interest running before as well as after the making of the assessment.

[^{F6}(8) Tax assessable as mentioned in subsection (1) above shall carry interest from the date when it becomes due and payable even if that date is a non-business day within the meaning of section 92 of the Bills of Exchange Act 1882.]

Textual Amendments

F5 “£10” substituted by Finance (No. 2) Act 1975 s. 46(3)

F6 S. 87(8) added by virtue of Finance (No. 2) Act 1975 s. 46(3)

- 11 In section 88(2) of the Management Act, for the words “Schedule 9 to the principal Act” there shall be substituted the words “Schedule 14 or 20 to the Finance Act 1972.”
- 12 In section 98 of the Management Act the following shall be added in the first column—
“Paragraph 19 of Schedule 16 and paragraphs 2(b), 3 and 4 of Schedule 21 to the Finance Act 1972”;
and the following shall be added in the second column—
“Schedules 14 and 20, and paragraphs 1 and 2(a) of Schedule 21, to the Finance Act 1972”.
- 13 For section 109 of the Management Act there shall be substituted—

“109 Corporation tax on close company in connection with loans to participators etc.

- (1) The provisions of section 286 of the principal Act (charge of tax in connection with loans by close companies to participators etc.) directing that tax be assessed and recoverable as if it were an amount of corporation tax shall be taken as applying, subject to the provisions of the Taxes Act, and to any necessary modifications, all enactments applying generally to corporation tax, including those relating to the assessing, collecting and receiving of corporation tax, those conferring or regulating a right of appeal and those concerning administration, penalties, interest on unpaid tax and priority of tax in cases of insolvency under the law of any part of the United Kingdom.
- (2) Section 86 of this Act shall apply in relation to tax under the said section 286 as if [^{F7}the date given by the Table in subsection (4) of the said section 86 were the last day of the three months following the end of the financial year in which the loan or advance was made.]
- (3) For the purposes of section 88 of this Act as applied by subsection (1) above, the date when tax charged under the said section 286 ought to have been paid shall be taken to be the first day of the [^{F7}financial year] following that in which the loan or advance was made.
- (4) Section 91 of this Act shall not apply in consequence of any discharge or repayment of tax under section 286(5) of the principal Act.

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(5) For the purposes of the said section 91, a relief from tax under the said section 286 shall not be treated as affecting tax charged by any assessment unless the assessment is to tax under that section.”

Textual Amendments

F7 Words substituted by Finance (No. 2) Act 1975 s. 46(5)

14 In Schedule 3 to the Management Act, in column 1 of rule 8 the words “288 or 289” shall be omitted and at the end there shall be inserted the words “or relating to a notice under paragraph 15 of Schedule 16 to the Finance Act 1972”.

15—33. **F8**

Textual Amendments

F8 Sch. 24 paras. 15–33 repealed by [Income and Corporation Taxes Act 1988 \(c. 1\)](#) s. 844, Sch. 31. See 1987 edition for these provisions.

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