



# Finance (No. 2) Act 1975

## 1975 CHAPTER 45

### PART III

#### INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

#### CHAPTER I

#### *General*

#### **46 Interest on unpaid tax.**

- (1) For section 86 of the <sup>M1</sup>Taxes Management Act 1970 (interest on overdue tax) there shall be substituted—

**“86 Interest on overdue tax.**

- (1) Any tax charged by an assessment to which this section applies shall carry interest at the prescribed rate from the reckonable date until payment.
- (2) This section applies to—
- (a) an assessment to income tax under Schedule A, Schedule C, Schedule D or Schedule E,
  - (b) an assessment charging income tax at a rate other than the basic rate on income from which income tax has been deducted (otherwise than under section 204 of the principal Act) or from or on which income tax is treated as having been deducted or paid or income chargeable under Schedule F,
  - (c) an assessment to capital gains tax,
  - (d) an assessment to corporation tax other than an assessment made under Schedule 14 to the Finance Act 1972 (advance corporation tax).
- (3) In this section “reckonable date” means—

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- (a) in relation to any tax the date for the payment of which is given by section 55 above and which, if there had been no appeal, would have become due and payable on an earlier date, that earlier date or the date mentioned in subsection (4) below, whichever is the later, and
  - (b) in relation to any tax not falling within paragraph (a) above, the date on which it becomes due and payable.
- (4) The date referred to in subsection (3)(a) above is the date on which the tax becomes due and payable or the date given by the following Table, whichever is the earlier.

TABLE

<b>Description of tax</b>	<b>Date applicable</b>
1. Tax charged by an assessment to income tax under Schedule A or an assessment to income tax under Schedule D other than an assessment made under Part III of Schedule 5 to the principal Act (machinery for assessment, charge and payment of income tax under Schedule C and, in certain cases, Schedule D).	1. The 1st July following the end of the year of assessment.
2. Tax charged by an assessment to income tax under Schedule C or an assessment to income tax under Schedule D made under Part III of Schedule 5 to the principal Act.	2. The last day of the six months following the end of thirty days mentioned in paragraph 9 of the said Schedule 5.
3. Tax charged by an assessment charging income tax as mentioned in subsection (2) (b) above.	3. The 1st January following the end of the year of assessment.
4. Tax charged by an assessment to capital gains tax.	4. The 1st January following the end of the year of assessment.
5. Tax charged by an assessment to corporation tax other than an assessment made under Schedule 14 to the Finance Act 1972.	5. The last day of the six months following— <ul style="list-style-type: none"> <li>(a) in a case where section 243(4) of the principal Act applies, the end of the nine months there mentioned ;</li> <li>(b) in a case where section 244(1) of that Act applies, the end of the interval there mentioned from the end of the accounting period to which the assessment relates ; or</li> <li>(c) in a case where section 344 of that Act applies, the last day on which the tax could have been paid within the limit imposed by subsection (2)(a) of that section.</li> </ul>

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- (5) Tax charged by an assessment to which this section applies shall carry interest from the reckonable date even if that date is a non-business day within the meaning of section 92 of the Bills of Exchange Act 1882.
  - (6) Where the amount of interest payable under this section on the tax charged by any assessment does not exceed £10, that interest may, if the Board think fit, be remitted.”
- (2) Section 86 of the said Act of 1970 as substituted by subsection (1) above shall have effect in relation to tax charged for the year 1972-73 or an earlier year of assessment as if—
- (a) for subsection (2)(b) there were substituted—
    - “(b) an assessment to surtax”, and
  - (b) in subsection (3)(a) after the word “or” there were inserted the words “ (except in the case of surtax) ”.
- (3) Section 87 of the said Act of 1970 (which, in relation to interest on overdue income tax on company distributions, has effect as originally enacted and, in relation to interest on overdue advance corporation tax and overdue income tax on company payments, has effect as substituted by paragraph 10 of Schedule 24 to the <sup>M2</sup>Finance Act 1972) shall be amended as follows—
- (a) ..... <sup>F1</sup>
  - (b) at the end of the section there shall be added as subsection (8)—
    - “(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.”
- <sup>F2</sup>(4) .....
- (5) Section 109 of the said Act of 1970 (which, in relation to tax charged in connection with loans and other payments made and shortfalls occurring before 6th April 1973, has effect as originally enacted and, in relation to tax charged in connection with loans made on or after that date, has effect as substituted by paragraph 13 of Schedule 24 to the <sup>M3</sup>Finance Act 1972) shall be amended as follows—
- (a) in subsection (4) as originally enacted, for the words “subsection (2) and paragraph (a) of subsection (3)” there shall be substituted the words “ subsection (4) and the words “or the date mentioned in subsection (4) below, whichever is the later” in subsection (3)(a) ”,
  - (b) in subsection (2) as so substituted, for the words “subsections (2) and (3)(a) of the said section 86 were omitted” there shall be substituted the words “ 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 ”, and
  - (c) in subsection (3) as so substituted, for the words “year of assessment” there shall be substituted the words “ financial year ”.
- (6) ..... <sup>F3</sup>

**Textual Amendments**

**F1** S. 46(3)(a) repealed (with savings) by Finance Act 1980 (c. 48), s. 122, Sch. 20 Pt. IX

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**F2** Words in s. 46(4) repealed (29.4.1996 with effect as mentioned in Sch. 18 para. 17 of the repealing Act) by 1996 c. 8, s. 205, **Sch. 41 Pt. V(8)**

**F3** S. 46(6) repealed by Income and Corporation Taxes Act 1988 (c. 1), s. 844, **Sch. 31**

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**Modifications etc. (not altering text)**

**C1** The text of ss. 44(5), 45, 46, 66, 67(2), 75(3) and Sch. 14 is in the form in which it was originally enacted: it was reproduced in Statutes in Force only in part and, except as specified, does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

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**Marginal Citations**

**M1** 1970 c. 9.

**M2** 1972 c. 41.

**M3** 1972 c. 41.

**Changes to legislation:**

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