

SCHEDULES

SCHEDULE 8

AGGREGATES LEVY: REPAYMENTS AND CREDITS

Interest on amounts assessed

- 6 (1) Where an assessment is made under paragraph 3 or 4 above, the whole of the amount assessed shall carry interest, for the period specified in sub-paragraph (2) below, as follows—
- (a) so much of that amount as represents the amount of a tax credit claimed by a person who was not entitled to it shall carry penalty interest; and
 - (b) so much of that amount as does not carry penalty interest under paragraph (a) above shall carry interest at the rate applicable under section 197 of the Finance Act 1996 (c. 8).
- (2) That period is the period which—
- (a) begins with the day after that on which the person is notified of the assessment; and
 - (b) ends with the day before that on which payment is made of the amount assessed.
- (3) Interest under this paragraph shall be paid without any deduction of income tax.
- (4) Penalty interest under this paragraph shall be compound interest calculated—
- (a) at the penalty rate; and
 - (b) with monthly rests.
- (5) For this purpose the penalty rate is the rate found by—
- (a) taking the rate applicable under section 197 of the Finance Act 1996 for the purposes of sub-paragraph (1)(b) above; and
 - (b) adding 10 percentage points to that rate.
- (6) Where a person is liable under this paragraph to pay any penalty interest, the Commissioners or, on appeal, an appeal tribunal may reduce the amount payable to such amount (including nil) as they think proper.
- (7) Subject to sub-paragraph (8) below, where the person concerned satisfies the Commissioners or, on appeal, an appeal tribunal that there is a reasonable excuse for the conduct giving rise to the liability to pay penalty interest, that is a matter which (among other things) may be taken into account under sub-paragraph (6) above.
- (8) In determining whether there is a reasonable excuse for the purposes of sub-paragraph (7) above, no account shall be taken of any of the following matters, that is to say—
- (a) the insufficiency of the funds available to any person for paying any aggregates levy due or for paying the amount of the interest;

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- (b) the fact that there has, in the case in question or in that case taken with any other cases, been no or no significant loss of aggregates levy;
 - (c) the fact that the person liable to pay the interest or a person acting on his behalf has acted in good faith.
- (9) In the case of interest reduced by the Commissioners under sub-paragraph (6) above an appeal tribunal, on an appeal relating to the interest, may cancel the whole or any part of the reduction made by the Commissioners.