



Tax Credits Act 2002

2002 CHAPTER 21

PART 1

TAX CREDITS

Interest

37 Interest

- (1) If an overpayment of a tax credit for a period is attributable to fraud or neglect on the part of the person, or either or both of the persons, to whom the award of the tax credit was made (or a person acting for him, or for either or both of them, in making the claim for the tax credit), the Board may decide that the whole or any part of the overpayment is to carry interest.
- (2) Where the Board so decide the overpayment (or part of the overpayment) carries interest at a prescribed rate from the date thirty days after the appropriate date.
- (3) “The appropriate date” is—
 - (a) in the case of an amount treated as an overpayment by virtue of section 28(6), the date of the decision under section 16 to terminate the award, and
 - (b) in any other case, the date specified for the purposes of subsection (4) of section 17 in the notice given to the person or persons under that section in relation to the tax credit.
- (4) The Board must give notice of a decision under subsection (1) to the person, or each of the persons, to whom it relates; and the notice must state the date on which it is given and include details of the right to appeal against the decision under section 38.
- (5) A penalty under any of sections 31 to 33 carries interest at the prescribed rate from the date on which it becomes due and payable; but the Board may in their discretion mitigate any interest or entirely remit any interest which would otherwise be carried by a penalty.

Status: This is the original version (as it was originally enacted).

- (6) Any interest carried under this section by an overpayment or penalty is to be regarded for the purposes of section 29(3) to (5) or paragraph 7 of Schedule 2 as if it were part of the overpayment or penalty.