



Finance Act 2014

2014 CHAPTER 26

PART 4

FOLLOWER NOTICES AND ACCELERATED PAYMENTS

CHAPTER 4

MISCELLANEOUS AND GENERAL PROVISION

Stamp duty land tax and annual tax on enveloped dwellings

230 Special case: stamp duty land tax

- (1) This section applies to modify the application of this Part in the case of—
 - (a) a return or claim in respect of stamp duty land tax, or
 - (b) a tax appeal within section 203(g), or any appeal within section 203(i) which derives from such an appeal.
- (2) If two or more persons acting jointly are the purchasers in respect of the land transaction—
 - (a) anything required or authorised by this Part to be done in relation to P must be done in relation to all of those persons, and
 - (b) any liability of P in respect of an accelerated payment, or a penalty under this Part, is a joint and several liability of all of those persons.
- (3) Subsection (2) is subject to subsections (4) to (8).
- (4) If the land transaction was entered into by or on behalf of the members of a partnership—
 - (a) anything required or authorised to be done under this Part in relation to P is required or authorised to be done in relation to all the responsible partners, and
 - (b) any liability of P in respect of an accelerated payment, or a penalty under this Part, is a joint and several liability of the responsible partners.

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- (5) But nothing in subsection (4) enables—
- (a) an accelerated payment to be recovered from a person who did not become a responsible partner until after the effective date of the transaction in respect of which the tax to which the accelerated payment relates is payable, or
 - (b) a penalty under this Part to be recovered from a person who did not become a responsible partner until after the time when the omission occurred that caused the penalty to become payable.
- (6) Where the trustees of a settlement are liable to pay an accelerated payment or a penalty under this Part, the payment or penalty may be recovered (but only once) from any one or more of the responsible trustees.
- (7) But nothing in subsection (6) enables a penalty to be recovered from a person who did not become a responsible trustee until after the time when the omission occurred that caused the penalty to become payable.
- (8) Where a follower notice or accelerated payment notice is given to more than one person, the power conferred on P by section 207 or 222 is exercisable by each of those persons separately or by two or more of them jointly.
- (9) In this section—
- “the accelerated payment” has the meaning given by section 223(2);
 - “accelerated payment notice” has the meaning given by section 219(1);
 - “effective date”, in relation to a land transaction, has the meaning given by section 119 of FA 2003;
 - “follower notice” has the meaning given by section 204(1);
 - “the responsible partners”, in relation to a land transaction, has the meaning given by paragraph 6(2) of Schedule 15 to that Act;
 - “the responsible trustees” has the meaning given by paragraph 5(3) of Schedule 16 to that Act;
 - “P”—
- (a) in relation to Chapter 2, has the meaning given by section 204(1);
 - (b) in relation to Chapter 3, has the meaning given by section 219.

231 Special case: annual tax on enveloped dwellings

- (1) This section applies to modify the application of this Part in the case of—
- (a) a return or claim in respect of annual tax on enveloped dwellings, or
 - (b) a tax appeal within section 203(h), or any appeal within section 203(i) which derives from such an appeal.
- (2) If the responsible partners of a partnership are the chargeable person in relation to the tax to which the return or claim or appeal relates—
- (a) anything required or authorised by this Part to be done in relation to P must be done in relation to all of those partners, and
 - (b) any liability of P in respect of an accelerated payment, or a penalty under this Part, is a joint and several liability of all of those persons.
- (3) Where—
- (a) a follower notice is given by virtue of a tax enquiry into the return or claim or the appeal, and

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- (b) by virtue of section 97 or 98 of FA 2013, two or more persons would have been jointly and severally liable for an additional amount of tax had the necessary corrective action been taken before the specified time for the purposes of section 208,

any liability of P in respect of a penalty under that section is a joint and several liability of all of them.

(4) Where—

- (a) an accelerated payment notice is given by virtue of a tax enquiry into the return or claim or the appeal, and
- (b) two or more persons would, by virtue of section 97 or 98 of FA 2013, be jointly and severally liable for the understated tax relating to the accelerated payment specified in the notice or (as the case may be) the disputed tax specified in the notice,

any liability of P in respect of the accelerated payment or a penalty under section 226 is a joint and several liability of all of them.

(5) Accordingly—

- (a) where a follower notice is given in a case where subsection (3) applies, or
- (b) an accelerated payment notice is given in a case to which subsection (4) applies,

HMRC must also give a copy of the notice to any other person who would be jointly and severally liable for a penalty or payment, in relation to the notice, by virtue of this section.

- (6) Where a follower notice or accelerated payment notice is given to more than one person, the power conferred on P by section 207 or 222 is exercisable by each of those persons separately or by two or more of them jointly.

(7) In this section—

- “the accelerated payment” has the meaning given by section 223(2);
- “accelerated payment notice” has the meaning given by section 219(1);
- “the chargeable person” has the same meaning as in Part 3 of FA 2013 (annual tax on enveloped dwellings);
- “follower notice” has the same meaning as in Chapter 2;
- “p”—
- (a) in relation to Chapter 2, has the meaning given by section 204(1);
- (b) in relation to Chapter 3, has the meaning given by section 219;
- “the responsible partners” has the same meaning as in Part 3 of FA 2013 (annual tax on enveloped dwellings).

Extension of Part by order

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- (1) The Treasury may by order amend section 200 (definition of “relevant tax”) so as to extend this Part to any other tax.
- (2) An order under this section may include—
- (a) provision in respect of that other tax corresponding to the provision made by sections 224 and 225,

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- (b) consequential and supplemental provision, and
 - (c) transitional and transitory provision and savings.
- (3) For the purposes of subsection (1) or (2) an order under this section may amend this Part (other than this section) or any other enactment whenever passed or made.
- (4) The power to make orders under this section is exercisable by statutory instrument.
- (5) An order under this section may only be made if a draft of the instrument containing the order has been laid before and approved by a resolution of the House of Commons.
- (6) In this section “tax” includes duty.

Consequential amendments

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Schedule 33 contains consequential amendments.