
STATUTORY INSTRUMENTS

1985 No. 560**CAPITAL TRANSFER TAX****The Capital Transfer Tax (Interest on Unpaid Tax) Order 1985**

<i>Made - - - -</i>	<i>2nd April 1985</i>
<i>Laid before the House of Commons</i>	<i>3rd April 1985</i>
<i>Coming into Operation</i>	<i>1st May 1985</i>

The Treasury, in exercise of the powers conferred on them by section 233 of the Capital Transfer Tax Act 1984(a), hereby make the following Order:—

1. This Order may be cited as the Capital Transfer Tax (Interest on Unpaid Tax) Order 1985 and shall come into operation on 1st May 1985.

2. The prescribed rate of interest on any unpaid tax on which interest is payable under section 233 of the Capital Transfer Tax Act 1984 shall be:

- (a) if the chargeable transfer was made on death, 9 per cent., instead of 6 per cent., per annum
- (b) in any other case, 11 per cent., instead of 8 per cent., per annum.

Ian B. Lang,
A. G. Hamilton,
Two of the Lords Commissioners
of Her Majesty's Treasury.

2nd April 1985.

(a) 1984 c. 51.

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order increases with effect from 1st May 1985 the annual rates of interest on unpaid capital transfer tax payable under section 233 of the Capital Transfer Tax Act 1984. The annual rate is increased in the case of chargeable transfers on death from 6 per cent. to 9 per cent. and in other cases from 8 per cent. to 11 per cent. The increases also have effect from 1st May 1985 in relation to repayments of capital transfer tax since, by virtue of section 235 of the Act, these carry interest at the rates applicable to unpaid capital transfer tax under section 233. Section 236 of the Act applies the provisions of section 233 to certain special cases where tax has been overpaid or underpaid.

The previous rates of 6 per cent. and 8 per cent. respectively stipulated in section 233(2) were imposed originally by S.I. 1982/1585 with effect from 1st December 1982. Prior to this date the rates were 9 per cent. and 12 per cent. respectively with effect from 1st December 1980 (S.I. 1979/1688) and 6 per cent. and 9 per cent. respectively prior to 1st December 1980 (paragraph 19 of Schedule 4 to the Finance Act 1975 (c. 7)).

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