
STATUTORY INSTRUMENTS

1996 No. 1184

INCOME TAX

**The Income Tax (Interest Relief)
(Amendment) Regulations 1996**

<i>Made</i>	- - - -	<i>29th April 1996</i>
<i>Laid before the House of Commons</i>	- - - -	<i>29th April 1996</i>
<i>Coming into force</i>	- -	<i>20th May 1996</i>

The Commissioners of Inland Revenue, in exercise of the powers conferred on them by sections 375(8A) and 378(3) of the Income and Corporation Taxes Act 1988(1), hereby make the following Regulations:

1. These Regulations may be cited as the Income Tax (Interest Relief) (Amendment) Regulations 1996 and shall come into force on 20th May 1996.

2. The Income Tax (Interest Relief) Regulations 1982(2) shall be amended in accordance with regulations 3 and 4.

3.—(1) This regulation applies in any case where an assessment —

- (a) is made on or after the date on which these Regulations come into force, and
- (b) is for the year 1996 – 97 or any subsequent year of assessment.

(2) For paragraph (3) of regulation 8B(3) there shall be substituted the following paragraph—

“(3) The Taxes Management Act 1970(4) shall apply to an assessment under paragraph (2) as if it were an assessment to income tax for the year of assessment for which the payment was made.”

4.—(1) This regulation applies in any case where an assessment —

- (a) is made on or after 6th April 1998, and
- (b) is for the year 1995 – 96 or any earlier year of assessment.

(2) For paragraph (3) of regulation 8B there shall be substituted the following paragraph—

(1) 1988 c. 1; section 375(8A) was inserted by section 112(4) of the Finance Act 1995 (c. 4).
(2) S.I. 1982/1236; a relevant amending instrument is S.I. 1995/1213.
(3) Regulation 8B was inserted by regulation 4 of S.I. 1995/1213.
(4) 1970 c. 9.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

“(3) The Taxes Management Act 1970 shall apply to an assessment under paragraph (2) as if it were an assessment to income tax for the year of assessment for which the payment was made and as if the assessment were among those specified in section 55(1) of that Act (recovery of tax not postponed)(5).”

29th April 1996

S C T Matheson
C W Corlett
Two of the Commissioners of Inland Revenue

(5) Section 55(1) was substituted by section 45(1) of the Finance (No. 2) Act 1975 (c. 45) and the subsection as substituted was amended by paragraphs 8(1) and 32 of Schedule 29 to the Income and Corporation Taxes Act 1988 and prospectively substituted by paragraph 18 of Schedule 19 to the Finance Act 1994 (c. 9).

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Income Tax (Interest Relief) Regulations 1982 ([S.I. 1982/1236](#)) (“the principal Regulations”).

Regulation 8B of the principal Regulations (“regulation 8B”) enables the Commissioners of Inland Revenue to recover by way of assessment amounts paid in certain circumstances to a borrower under the mortgage interest relief at source (MIRAS) scheme to which that borrower is not entitled. Paragraph (3) of regulation 8B provides for the Taxes Management Act 1970 (“the 1970 Act”) to apply to any such assessment as if the assessment had various characteristics, identified by reference to specific provisions of the 1970 Act.

As a result of legislative amendments made by the Finance Act [1996 \(c. 8\)](#), the references to specific provisions of the 1970 Act made by paragraph (3) of regulation 8B are no longer appropriate. These Regulations therefore provide substituted versions of that paragraph to accord with the amended legislation. Different provision is made for the cases specified in regulations 3(1) and 4(1) to take account of the differing amendments made by sub-paragraphs (5) and (6) of paragraph 17 of Schedule 18 to the Finance Act 1996.