

# **TAX COLLECTION AND MANAGEMENT (WALES) ACT 2016**

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## **EXPLANATORY NOTES**

### **COMMENTARY ON SECTIONS**

#### **Part 5 - Penalties**

##### ***Section 133 – Penalty for failure to notify under-assessment or under-determination***

161. This section provides that a penalty is payable by a person where an assessment issued by the WRA (as defined under section 56) understates the tax liability and the person has failed to take reasonable steps to inform the WRA of that fact within 30 days of receiving the under-assessment. The WRA must consider whether the person knew, or should have known, about the under-assessment and what steps it would have been reasonable to take to notify the WRA. References to a WRA assessment include a WRA determination (as defined under section 52). The penalty amount payable is 30% of the potential lost revenue. Potential lost revenue is defined in section 134.