



# Tax Collection and Management (Wales) Act 2016

2016 anaw 6

## PART 6

### INTEREST

#### CHAPTER 1

##### INTEREST ON AMOUNTS PAYABLE TO WRA

###### *Late payment interest*

#### **157 Late payment interest on amounts payable to WRA**

- (1) This section applies to—
  - (a) any amount of devolved tax, and
  - (b) any amount of penalty relating to devolved tax,that is payable by a person to WRA.
- (2) If an amount to which this section applies is not paid before the late payment interest start date, the amount carries interest (referred to in this Part as “late payment interest”) at the late payment interest rate for the period—
  - (a) beginning with the late payment interest start date, and
  - (b) ending with the date of payment.
- (3) The late payment interest start date for the amount is the date following that on which the amount becomes payable, subject to sections 159 and 160.
- (4) Subsection (2)(a) applies even if the late interest payment start date is a non-business day within the meaning of section 92 of the [Bills of Exchange Act 1882 \(c. 61\)](#).
- (5) In this section, “late payment interest rate” has the meaning given by section 163(1).

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*Status: This is the original version (as it was originally enacted).*

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**158 Late payment interest: supplementary**

- (1) Late payment interest is not payable on late payment interest.
- (2) The date of payment, in relation to an amount to which section 157 applies, includes the date on which it is set off against an amount payable by WRA.

*Late payment interest start date: special rules*

**159 Late payment interest start date: amendments to assessments etc.**

- (1) This section applies to an amount that is payable as a result of—
  - (a) an amendment under section 41, 45 or 50, or a correction under section 42, to an assessment (“assessment A”),
  - (b) a WRA assessment made in place of or in addition to an assessment (“assessment A”), or
  - (c) an assessment under section 45 or 50, or a WRA determination, made in place of an assessment (“assessment A”) which ought to have been made by a person chargeable to a devolved tax.
- (2) The late payment interest start date for that amount is the date which would have been the late payment interest start date if—
  - (a) assessment A had been complete and accurate and had been made on the date (if any) by which it was required to be made, and
  - (b) accordingly, the amount had been payable as a result of assessment A.

**160 Late payment interest start date: death of taxpayer**

- (1) This section applies if—
  - (a) a person chargeable to an amount of devolved tax or penalty relating to devolved tax dies before the amount becomes payable, and
  - (b) the executor or administrator is unable to pay the amount before obtaining probate or letters of administration or another document having equivalent effect under the law of a country or territory other than England and Wales in relation to the deceased person’s estate.
- (2) The late payment interest start date for that amount is the later of the following—
  - (a) the date which would be the late payment interest start date apart from this section, and
  - (b) the day after the end of the period of 30 days beginning with the grant of probate or letters of administration or another document having equivalent effect under the law of a country or territory other than England and Wales in relation to the deceased person’s estate.

## CHAPTER 2

### INTEREST ON AMOUNTS PAYABLE BY WRA

#### *Repayment interest*

#### **161 Repayment interest on amounts payable by WRA**

- (1) This section applies to any relevant amount paid by a person to WRA that is repaid by WRA to that person or to another person.
- (2) “Relevant amount” means an amount paid in connection with any liability (including any purported or anticipated liability) to pay to WRA—
  - (a) an amount of devolved tax, or
  - (b) an amount of penalty relating to devolved tax.
- (3) If an amount to which this section applies is not repaid before the repayment interest start date, the amount carries interest (referred to in this Part as “repayment interest”) at the repayment interest rate for the period—
  - (a) beginning with the repayment interest start date, and
  - (b) ending with the date of repayment.
- (4) The repayment interest start date for the relevant amount is the later of—
  - (a) the day on which the relevant amount was paid to WRA, and
  - (b) the day on which the amount mentioned in subsection (2)(a) or (b), in connection with which the relevant amount was paid, became payable to WRA.
- (5) Subsection (3)(a) applies even if the repayment interest start date is a non-business day within the meaning of section 92 of the [Bills of Exchange Act 1882 \(c. 61\)](#).
- (6) In this section, “repayment interest rate” has the meaning given by section 163(2).

#### **162 Repayment interest: supplementary**

- (1) Repayment interest is not payable on an amount payable in consequence of an order or judgment of a court having power to allow interest on the amount.
- (2) Repayment interest is not payable on repayment interest.
- (3) The date of repayment, in relation to an amount to which section 161 applies, includes the date on which it is set off against an amount owed to WRA.

## CHAPTER 3

### RATES OF INTEREST

#### **163 Rates of late payment interest and repayment interest**

- (1) The late payment interest rate is the rate provided for in regulations made by the Welsh Ministers.

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

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- (2) The repayment interest rate is the rate provided for in regulations made by the Welsh Ministers.
- (3) Regulations under subsection (1) or (2)—
- (a) may make different provision for different purposes;
  - (b) may either themselves specify a rate of interest or make provision for a rate to be determined (and to change from time to time) by reference to a rate or an average of rates referred to in regulations;
  - (c) may provide for rates to be reduced below, or increased above, what they would otherwise be by reference to specified amounts or specified formulae;
  - (d) may provide for rates arrived at by reference to averages to be rounded up or down;
  - (e) may provide for circumstances in which alteration of a rate of interest is or is not to take place;
  - (f) may provide that alterations of rates are to have effect for periods beginning on or after a day determined in accordance with the regulations in relation to interest running from before that day as well as from or from after that day.