



# Tax Collection and Management (Wales) Act 2016

2016 anaw 6

## PART 5

### PENALTIES

#### CHAPTER 2

#### PENALTIES FOR FAILURE TO MAKE RETURNS OR PAY TAX [<sup>F1</sup>OR AMOUNTS PAYABLE IN RESPECT OF TAX CREDITS]

*Penalties under Chapter 2: general*

**126 Reasonable excuse for failure to make tax return or pay tax [<sup>F1</sup> or amount payable in respect of tax credit]**

- (1) If a person satisfies WRA or (on appeal) the tribunal that there is a reasonable excuse for a failure to make a tax return, the person is not liable to a penalty under sections 118 to 120 in relation to the failure.
- (2) If a person satisfies WRA or (on appeal) the tribunal that there is a reasonable excuse for a failure to pay a devolved tax, the person is not liable to a penalty under [<sup>F2</sup>sections 122 to 122A] in relation to the failure.
- [<sup>F3</sup>(2A) If a person satisfies WRA or (on appeal) the tribunal that there is a reasonable excuse for a failure to pay an amount payable in respect of a tax credit, the person is not liable to a penalty under section 123A in relation to the failure.]
- (3) For the purposes of subsections (1) [<sup>F4</sup>, (2) and (2A)]—
  - (a) an insufficiency of funds is not a reasonable excuse unless attributable to events outside the person's control;

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*Changes to legislation: There are currently no known outstanding effects for the Tax Collection and Management (Wales) Act 2016, Section 126. (See end of Document for details)*

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- (b) where a person relies on another person to do anything, that is not a reasonable excuse unless the first person took reasonable care to avoid the failure;
- (c) where a person had a reasonable excuse for the failure but the excuse has ceased, the person is to be treated as having continued to have the excuse if the failure is remedied without unreasonable delay after the excuse ceased.

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#### **Textual Amendments**

- F1** Words in s. 126 heading inserted (1.4.2018) by [The Landfill Disposals Tax \(Administration\) \(Wales\) Regulations 2018 \(S.I. 2018/101\)](#), reg. 1(2), **Sch. para. 26(4)**
- F2** Words in s. 126(2) substituted (1.4.2018) by [Landfill Disposals Tax \(Wales\) Act 2017 \(anaw 3\)](#), s. 97(2), **Sch. 4 para. 13**; S.I. 2018/35, art. 3
- F3** S. 126(2A) inserted (1.4.2018) by [The Landfill Disposals Tax \(Administration\) \(Wales\) Regulations 2018 \(S.I. 2018/101\)](#), reg. 1(2), **Sch. para. 26(2)**
- F4** Words in s. 126(3) substituted (1.4.2018) by [The Landfill Disposals Tax \(Administration\) \(Wales\) Regulations 2018 \(S.I. 2018/101\)](#), reg. 1(2), **Sch. para. 26(3)**

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#### **Modifications etc. (not altering text)**

- C1** Ss. 125-128 applied (1.4.2018) by [The Tax Collection and Management \(Reimbursement Arrangements\) \(Wales\) Regulations 2018 \(S.I. 2018/88\)](#), regs. 1(2), **8(3)**

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#### **Commencement Information**

- I1** S. 126 in force at 1.4.2018 by [S.I. 2018/33](#), **art. 3**

**Changes to legislation:**

There are currently no known outstanding effects for the Tax Collection and Management (Wales) Act 2016, Section 126.