

*These notes relate to the Revenue Scotland and Tax Powers Act 2014 (asp 16) which received Royal Assent on 24 September 2014*

# **REVENUE SCOTLAND AND TAX POWERS ACT 2014**

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## **EXPLANATORY NOTES**

### **THE ACT**

#### **Part 6 – Tax Returns, Enquiries and Assessments**

#### *Chapter 7 — Relief in Case of Excessive Assessment Or Overpaid Tax*

#### **Contract settlements**

#### *Section 118 – Contract settlements*

160. This section makes provision for the effect of contract settlements (defined in subsection (8)). The effect of subsection (1) is that an overpayment of tax can still be reclaimed under section 107 or 108 even though it was paid under a contract settlement. Subsections (3) to (7) apply to situations where tax was paid by someone under a contract settlement but that person who was not the person from whom it was due. In this circumstance a claim for relief from overpayment can be made by the person who paid the amount. In such a case, however, the way some of the defences available to Revenue Scotland under section 113 operate is modified, as is section 117. And where such a claim is made, Revenue Scotland can set off any amount repaid to the person who paid against any amount payable by the taxpayer.