



Revenue Scotland and Tax Powers Act 2014

2014 asp 16

PART 8

PENALTIES

CHAPTER 3

PENALTIES RELATING TO INACCURACIES

Penalties for inaccuracies in taxpayer documents

182 Penalty for inaccuracy in taxpayer document

- (1) A penalty is payable by a person (“P”) where—
 - (a) P gives Revenue Scotland a document of a kind mentioned in the table below, and
 - (b) conditions A and B below are met.
- (2) Condition A is that the document contains an inaccuracy which amounts to, or leads to—
 - (a) an understatement of a liability to tax,
 - (b) a false or inflated statement of a loss, exemption or relief, or
 - (c) a false or inflated claim for relief or to repayment of tax.
- (3) Condition B is that the inaccuracy was—
 - (a) deliberate on P’s part (“a deliberate inaccuracy”), or
 - (b) careless on P’s part (“a careless inaccuracy”).
- (4) An inaccuracy is careless if it is due to a failure by P to take reasonable care.
- (5) An inaccuracy in a document given by P to Revenue Scotland, which was neither deliberate nor careless on P’s part when the document was given, is to be treated as careless if P—

Status: This is the original version (as it was originally enacted).

- (a) discovered the inaccuracy at some later time, and
 - (b) did not take reasonable steps to inform Revenue Scotland.
- (6) Where a document contains more than one inaccuracy, a penalty is payable for each inaccuracy.

	<i>Tax</i>	<i>Document</i>
1.	Land and buildings transaction tax	<ul style="list-style-type: none"> (a) Return under section 29, 31, 33 or 34 of the LBTT(S) Act 2013. (b) Return under paragraph 10, 11, 20, 22 or 30 of Schedule 19 to the LBTT(S) Act 2013. (c) Application under section 41 of the LBTT(S) Act 2013. (d) Amended return under section 83 of this Act. (e) Claim under section 106, 107 or 108 of this Act.
2.	Scottish landfill tax	<ul style="list-style-type: none"> (a) Return under regulations made under section 25 of the LT(S) Act 2014. (b) Amended return under section 83 of this Act. (c) Claim under section 106, 107 or 108 of this Act.

(7) Section 183 applies in the case of a document falling within item 1 or 2 of the table.

183 Amount of penalty for inaccuracy in taxpayer document

- (1) This section sets out the penalty payable under section 182.
- (2) For a deliberate inaccuracy, the penalty is 100% of the potential lost revenue.
- (3) For a careless inaccuracy, the penalty is 30% of the potential lost revenue.
- (4) In this section and sections 185 and 186 “potential lost revenue” has the meaning given in sections 187 to 190.

184 Suspension of penalty for careless inaccuracy under section 182

- (1) Revenue Scotland may suspend all or part of a penalty for a careless inaccuracy under section 182 by notice to P.
- (2) A notice must specify—
 - (a) what part of the penalty is to be suspended,
 - (b) a period of suspension not exceeding 2 years, and

- (c) conditions of suspension to be complied with by P.
- (3) Revenue Scotland may suspend all or part of a penalty only if compliance with a condition of suspension would help P to avoid becoming liable to further penalties under section 182 for careless inaccuracy.
- (4) A condition of suspension may specify—
 - (a) action to be taken,
 - (b) a period within which it may be taken.
- (5) On the expiry of the period of suspension—
 - (a) if P satisfies Revenue Scotland that the conditions of suspension have been complied with, the suspended penalty or part is cancelled, and
 - (b) otherwise, the suspended penalty or part becomes payable.
- (6) If, during the period of suspension of all or part of a penalty under section 182, P becomes liable for another penalty under that section, the suspended penalty or part becomes payable.