



Taxes Management Act 1970

1970 CHAPTER 9

PART II

RETURNS OF INCOME AND GAINS

Income tax

7 Notice of liability to tax

- (1) Every person who is chargeable to income tax for any year of assessment and who has not delivered a return of his profits or gains or his total income for that year in accordance with the provisions of the Income Tax Acts shall, not later than one year after the end of that year of assessment, give notice that he is so chargeable.
- (2) A notice under this section shall be given to the inspector or, in the case of an individual who is not chargeable to income tax other than surtax, either to the inspector or to the Board.
- (3) If any person fails to give a notice which he is required to give under this section he shall be liable to a penalty not exceeding £100.

8 Return of income

- (1) Any person may be required by a notice given to him by an inspector or other officer of the Board to deliver to the officer within the time limited by the notice a return of his income, computed in accordance with the Income Tax Acts and specifying each separate source of income and the amount from each source.
- (2) Any person may be required by a notice given to him by an inspector or other officer of the Board to deliver to the officer within the time limited by the notice a return of income which is not his income, but in respect of which he is chargeable in any capacity specified in the notice, computed in accordance with the Income Tax Acts and specifying each separate source of income and the amount from each source.

Status: This is the original version (as it was originally enacted).

- (3) A notice under this section may require a return of income for a specified year of assessment, or a return which is, so far as relates to certain sources of income, a return of income for one year of assessment, and, so far as relates to the remaining sources of income, a return of income for the preceding year of assessment.
- (4) So far as a notice under this section relates to income chargeable under Case I or Case II of Schedule D, or any other income which may be computed by reference to the profits or gains of a period which is not a year of assessment, the notice may require a return of profits or gains (computed in accordance with the Income Tax Acts) for a period for which accounts are made up or a period by reference to which income is to be computed.
- (5) A notice under this section may require an individual to deliver a return of all his income computed in accordance with the provisions of the Income Tax Acts relating to surtax, or may require a return of his income which will afford the requisite information for computing his income both in accordance with the provisions of the Income Tax Acts relating to surtax and in accordance with the provisions of those Acts relating to tax at the standard rate.
- (6) For the purpose of charging surtax a notice under this section may require a person liable to be charged to tax at the standard rate on the income of any incapacitated, deceased or non-resident person under Part VII or Part VIII of this Act to deliver a return of all the income of the incapacitated, deceased or non-resident person, computed in accordance with the provisions of the Income Tax Acts relating to surtax, and made to the best of his knowledge.
- (7) Every return under this section shall include a declaration by the person making the return to the effect that the return is to the best of his knowledge correct and complete.
- (8) In this section references to returns of income computed in accordance with the Income Tax Acts are references to returns which include, as well as all particulars relating to income from which tax has not been deducted, all particulars relating to income from which tax has been deducted before receipt, and relating to charges on income, which are required for computing total income for the purposes of the provisions of the Income Tax Acts relating to surtax or, as the case may require, to tax at the standard rate; and in this subsection the expression "charges on income" means amounts which fall to be deducted in computing total income for either or both of those purposes, or which would fall to be so deducted if the person to whose income the return relates were an individual.

9 Partnership return

- (1) Where a trade or profession is carried on by two or more persons jointly, the precedent partner, that is to say, the partner who, being resident in the United Kingdom—
 - (a) is first named in the agreement of partnership, or
 - (b) if there is no agreement, is named singly, or with precedence to the other partners in the usual name of the firm, or
 - (c) is the precedent acting partner, if the person named with precedence is not an acting partner,

shall make and deliver a return under section 8 above of the profits or gains of the trade or profession, on behalf of himself and the other partners, and declare in the return the names and residences of the other partners.

- (2) Where no partner is resident in the United Kingdom, the return shall be made and delivered by the agent, manager or factor of the firm resident in the United Kingdom.
- (3) Any other partner may, if a return has been delivered as aforesaid, notify the fact that he is a partner together with his name and place of abode, without returning the amount of tax payable in respect of the partnership, but an inspector may, if he thinks fit, require from every partner a like return, and the like information and evidence, as he is entitled to require from the precedent partner.
- (4) This section shall apply to income chargeable to income tax in accordance with section 155 of the principal Act (partnerships involving companies), matters relevant only to corporation tax being omitted from the return, and the obligation to make and deliver the return being that of the individual partner or partners.
- (5) Any return of the profits or gains of a partnership delivered under this section shall include, with respect to any disposal of partnership property during the year of assessment to which the return relates, the like particulars as if the partnership were chargeable under Case VII of Schedule D in respect of any gain accruing on the disposal.

Corporation tax

10 Notice of liability to corporation tax

- (1) Every company which is chargeable to corporation tax for any accounting period and which has not made a return of its profits for that accounting period shall not later than one year after the end of that accounting period give notice to the inspector that it is so chargeable.
- (2) If a company fails to give a notice which it is required to give under this section the company shall be liable to a penalty not exceeding £100.

11 Return of profits

- (1) A company may be required by a notice served on the company by an inspector or other officer of the Board to deliver to the officer within the time limited by the notice a return of the profits of the company computed in accordance with the Corporation Tax Acts—
 - (a) specifying the income taken into account in computing those profits, with the amount from each source,
 - (b) giving particulars of all disposals giving rise to chargeable gains or allowable losses under the provisions of Part III of the Finance Act 1965 and the Corporation Tax Acts and particulars of those chargeable gains or allowable losses, and
 - (c) giving particulars of all charges on income to be deducted against those profits for the purpose of assessment to corporation tax.
- (2) A notice under this section may require a return of profits arising in any period during which the company was within the charge to corporation tax.
- (3) Every return under this section shall include a declaration to the effect that the return is correct and complete.

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- (4) A return under this section which includes profits which are payments on which the company has borne income tax by deduction shall specify the amount of income tax so borne.
- (5) A notice under this section may require the inclusion in the return of particulars of management expenses, capital allowances and balancing charges which have been taken into account in arriving at the profits included in the return.

Capital gains

12 Information about chargeable gains

- (1) Sections 7 and 8 of this Act shall apply in relation to capital gains tax as they apply in relation to income tax at the standard rate, and subject to any necessary modifications.
- (2) A notice under section 8 or section 11 of this Act may require particulars of any assets acquired by the person on whom the notice was served (or if the notice relates to income or chargeable gains of some other person, of any assets acquired by that other person) in the period specified in the notice (being a period beginning not earlier than 6th April 1965) but excluding—
 - (a) any assets exempted by section 27 of the Finance Act 1965 (miscellaneous exemptions), without subsection (2) of that section, or
 - (b) unless the amount or value of the consideration for its acquisition exceeded £1,000, any asset which is tangible movable property and is not within the exceptions in section 30(6) of the said Act (terminal markets and currency), or
 - (c) any assets acquired as trading stock.
- (3) The particulars required under this section may include particulars of the person from whom the asset was acquired, and of the consideration for the acquisition.
- (4) A return of income of a partnership under section 9 of this Act shall include—
 - (a) with respect to any disposal of partnership property during a period to which any part of the return relates, the like particulars as if the partnership were liable to tax on any chargeable gain accruing on the disposal, and
 - (b) with respect to any acquisition of partnership property, the particulars required under subsection (2) above.
- (5) In this section "trading stock" has the meaning given by section 137(4) of the principal Act.