Taxes Management Act 1970

1970 CHAPTER 9

PART IX

INTEREST ON OVERDUE TAX

Modifications etc. (not altering text)

C1 Pt. IX modified by The Income Tax (Entertainers and Sportsmen) Regulations 1987 (S.I. 1987/530), **reg. 11(3)**

C2 Pt. IX applied (27.7.1993 with effect in relation to the year 1993-94 and subsequent years of assessment) by Finance Act 1993 (c. 34), **s. 122(2)(3)**

C3 Pt. 9 applied by Taxation of Chargeable Gains Act 1992 (c. 12), s. 281(5)(a) (as substituted (with effect in accordance with Sch. 18 para. 17 of the amending Act) by Finance Act 1996 (c. 8), **Sch. 18 paras. 15(2)**, 17)

C4 Pt. 9 modified (with effect in accordance with s. 117(4)(5) of the amending Act) by Finance Act 1998 (c. 36), **Sch. 18 para. 39(2)(a)** (with Sch. 18 para. 59(2)); S.I. 1998/3173, art. 2

C5 Pt. 9 applied (with modifications) (22.7.2020) by Finance Act 2020 (c. 14), **Sch. 16 para. 11(3)**

[F1 86 Interest on overdue income tax and capital gains tax.

(1) The following, namely—

(a) any amount on account of income tax which becomes due and payable in accordance with section 59A(2) of this Act, and

(b) any income tax or capital gains tax which becomes due and payable in accordance with section 55 or 59B of this Act,

shall carry interest at the rate applicable under section 178 of the Finance Act 1989 from the relevant date until payment.

(2) For the purposes of subsection (1)(a) above the relevant date is whichever of the dates mentioned in section 59A(2) of this Act is applicable; and for the purposes of subsection (1)(b) above the relevant date is—

(a) in any such case as is mentioned in subsection (3) of section 59B of this Act, the last day of the period of three months mentioned in that subsection; and

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(b) in any other case, the date mentioned in subsection (4) of that section.

(3) Subsection (1) above applies even if the relevant date is a non-business day within the meaning of **[**[F2]section 92**]** of the Bills of Exchange Act 1882.

(4) Subsection (5) below applies where as regards a year of assessment—

(a) any person makes a claim under subsection (3) or (4) of section 59A of this Act in respect of the amounts (the section 59A amounts) payable by him in accordance with subsection (2) of that section, and

(b) an amount (the section 59B amount) becomes payable by him

[[F3](i)**]** in accordance with section 59B(3), (4) or (5) of this Act **[**[F4]or

(ii) in accordance with section 59B(6) of this Act in respect of income tax assessed under section 29 of this Act**]**.

(5) Interest shall be payable under this section as if each of the section 59A amounts had been equal to—

(a) the aggregate of that amount and 50 per cent. of the section 59B amount, or

(b) the amount which would have been payable in accordance with subsection (2) of section 59A of this Act if the claim under subsection (3) or (4) of that section had not been made,

whichever is the less.

(6) In determining for the purposes of subsections (4) and (5) above what amount (if any) is payable by any person in accordance with section 59B(3), (4) or (5) of this Act **[**[F5]or, in respect of income tax assessed under section 29 of this Act, in accordance with section 59B(6) of this Act**]**—

(a) it shall be assumed that both of the section 59A amounts have been paid, and

(b) no account shall be taken of any amount which has been paid on account otherwise than under section 59A(2) of this Act or is payable by way of capital gains tax.

(7) Subsection (8) below applies where as regards any person and a year of assessment—

(a) amounts (the section 59A amounts) become payable by him in accordance with section 59A(2) of this Act, and

(b) an amount (the section 59B amount) becomes repayable to him in accordance with section 59B (3), (4) or (5) of this Act.

(8) So much of any interest payable under this section on either of the section 59A amounts as is not attributable to the amount by which that amount exceeds 50 per cent. of the section 59B amount shall be remitted.

(9) In determining for the purposes of subsections (7) and (8) above what amount (if any) is repayable to any person in accordance with section 59B(3), (4) or (5) of this Act, no account shall be taken of any amount which has been paid on account otherwise than under section 59A(2) of this Act or is payable by way of capital gains tax.**]**

Textual Amendments

F1 S. 86 substituted (with effect in accordance with ss. 103(7), 110(2)-(4) of the amending Act) by Finance Act 1995 (c. 4), **s. 110(1)**

F2 Words in s. 86(3) substituted (29.4.1996) by Finance Act 1996 (c. 8), **s. 131(2)**

F3 Words in s. 86(4)(b) renumbered as s. 86(4)(b)(i) (with effect in accordance with Sch. 18 para. 17 of the amending Act) by Finance Act 1996 (c. 8), **Sch. 18 para. 3(2)**

F4 S. 86(4)(b)(ii) and preceding word inserted (with effect in accordance with Sch. 18 para. 17 of the amending Act) by Finance Act 1996 (c. 8), **Sch. 18 para. 3(2)**

F5 Words in s. 86(6) inserted (with effect in accordance with Sch. 18 para. 17 of the amending Act) by Finance Act 1996 (c. 8), **Sch. 18 para. 3(3)**

Modifications etc. (not altering text)

C6 S. 86 modified by Income and Corporation Taxes Act 1988 (c. 1), s. 767B(1)(a) (as inserted (with effect in accordance with s. 135(6) of the amending Act) by Finance Act 1994 (c. 9), **s. 135(1)(6)**)

C7 S. 86 applied (with modifications) by Social Security Contributions and Benefits Act 1992 (c. 4), **Sch. 2 para. 6(1)** (as amended (8.9.1998) by Social Security Act 1998 (c. 14), **ss. 59(5)(a)(b)(6)**, 87(2); S.I. 1998/2209, art. 2(a)-(c), **Sch. Pt. 1** (with art. 3))

C8 S. 86 applied (N.I.) (1.7.1992) by Social Security Contributions and Benefits (Northern Ireland) Act 1992 (c. 7), ss. 15(3), 173(4), **Sch. 2 para. 6(1)**

C9 S. 86 power to apply (with modifications) conferred by Finance Act 1995 (c. 4), s. 73(4)(c) (as amended (with effect in accordance with Sch. 18 para. 17 of the amending Act) by Finance Act 1996 (c. 8), Sch. 18 para. 16(b)(c))

C10 S. 86 (so far as it has effect without the substitutions made by Finance Act 1994, Sch. 19 para. 23 and Finance Act 1995, s. 110) amended (with effect in accordance with Sch. 6 para. 28 of the amending Act) by Finance Act 1996 (c. 8), **Sch. 6 para. 1**

C11 S. 86 modified (6.4.1999) by The Individual Savings Account Regulations 1998 (S.I. 1998/1870), regs. 1, **35(3)**(4)

C12 S. 86 modified (6.4.2006) by The Registered Pension Schemes (Relief at Source) Regulations 2005 (S.I. 2005/3448), regs. 1, **14(3)**

C13 S. 86 modified (with effect in accordance with ss. 156(3), 1034(1)(3) of the amending Act) by Income Tax Act 2007 (c. 3), **ss. 239(1)**, 1034(1) (with Sch. 2)

C14 S. 86 restricted (1.4.2011) by The Finance Act 2009, Sections 101 to 103 (Income Tax Self Assessment) (Appointed Days and Transitional and Consequential Provisions) Order 2011 (S.I. 2011/701), arts. 1(1), **4(1)**, 5

C15 S. 86 modified by Income Tax Act 2007 (c. 3), **s. 257GD** (as inserted (17.7.2012) by Finance Act 2012 (c. 14), **Sch. 6 para. 1**)

C16 S. 86 modified by Taxation of Chargeable Gains Act 1992 (c. 12), **Sch. 5BB para. 7(2)** (as inserted (17.7.2012) by Finance Act 2012 (c. 14), **Sch. 6 para. 5**)

C17 S. 86(2) modified by Income Tax Act 2007 (c. 3), **s. 257SD** (as inserted (17.7.2014) by Finance Act 2014 (c. 26), **Sch. 11 para. 1**)

[F6]86A . . . . . .

Textual Amendments

F6 *S. 86A added by*Development Land Tax Act 1976 (c. 24) Sch.8 para.21. Development Land Tax Act 1976 repealed by Finance Act 1985 (c. 54), s.98(6), Sch.27 Part X.

[[F7]87 Interest on overdue income tax deducted at source

(1) Income tax which is assessable under Chapter 15 of Part 15 of ITA 2007 carries interest at the rate applicable under section 178 of the Finance Act 1989 from the date when it was due under section 951 of ITA 2007 until payment.

(2) Subsection (1) applies—

(a) whether or not an assessment is made, and

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(b) whether or not income tax which is assessed has been paid when the assessment is made.

(3) Subsection (1) applies even if the date when the income tax should have been paid is a non-business day as defined by section 92 of the Bills of Exchange Act 1882.

(4) Subsection (5) applies to any income tax which—

(a) was payable under Chapter 15 of Part 15 of ITA 2007 (collection: deposit-takers, building societies and certain companies) in respect of payments within section 946 of that Act made in a return period,

(b) was not paid on the date when it was due under section 951 of that Act, and

(c) has subsequently been discharged or repaid under section 953 of that Act because the person who made the payments received payments on which it suffered income tax by deduction in a later return period.

(5) The income tax carries interest under subsection (1) from the date when it was due under section 951 of ITA 2007 until the earliest of—

(a) the date when the income tax was paid,

(b) the date when the person delivered a return for the later return period, and

(c) the expiry of 14 days after the end of that period,

but subsection (1) does not otherwise apply to the income tax.

(6) In this section "return period" means a period for which a return is required to be made under Chapter 15 of Part 15 of ITA 2007.**]**

Textual Amendments

F7 S. 87 substituted (with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), s. 1034(1), **Sch. 1 para. 258** (with Sch. 2)

Modifications etc. (not altering text)

C18 S. 87 applied (1.1.2007) by The Real Estate Investment Trusts (Assessment and Recovery of Tax) Regulations 2006 (S.I. 2006/2867), regs. 1(1), **10(4)**

C19 S. 87 applied by The Authorised Investment Funds (Tax) Regulations 2006 (S.I. 2006/964), **reg. 69Z33(4)** (as inserted (6.4.2008) by S.I. 2008/705, regs. 1, **5**)

[F8 87A Interest on overdue corporation tax etc.

(1) Corporation tax shall carry interest at the **[F9** rate applicable under section 178 of the Finance Act 1989**]** from the date when the tax becomes due and payable (in accordance with **[F10** section 59D of this Act**]**) until payment.

(2) Subsection (1) above applies even if the date when the tax becomes due and payable (as mentioned in that subsection) is a non-business day within the meaning of section 92 of the **M1** Bills of Exchange Act 1882.

(3) In relation to corporation tax assessed **[F11** or treated as assessed**]** by virtue of section **[F12** 346(2) or 347(1) of the principal Act, **[F13** 137(4), 139(7) **[F14** or 190**]F15**... of the 1992 Act **F16**... **[F17** paragraph 75A(2) of Schedule 18 to the Finance Act 1998**]]][F18**, **F19**... paragraph 69 of Schedule 29 to the Finance Act 2002**][F20** or Chapter 7 of Part 22 of CTA 2010**]** (which enable unpaid corporation tax assessed on a company to be assessed on other persons in certain circumstances), the reference in subsection (1)

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above to the date when the tax becomes due and payable is a reference to the date when it became due and payable by the company.

F21(4) . . . . . .

[In a case where—

F22(4A) (a) there is for an accounting period of a company ("the later period") **[**F23a non-trading deficit on the company's loan relationships,**]**

(b) as a result of a claim under **[**F24**[**F25section 389(1) or 459(1)(b) of CTA 2009**]** the whole or part of the deficit for the later period is set off against profits**]** of an earlier accounting period ("the earlier period"), and

[F26(c) if the claim had not been made, there would be an amount or, as the case may be, an additional amount of corporation tax for the earlier period which would carry interest in accordance with this section,**]**

[F27then, for the purposes of the determination at any time of whether any interest is payable under this section or of the amount of interest so payable, the amount mentioned in paragraph (c) above shall be taken to be an amount of unpaid corporation tax for the earlier period except so far as concerns interest for any time after the date on which any corporation tax for the later period became (or, as the case may be, would have become) due and payable **[**F28as mentioned in subsection (8) below**]**.**]]**

F29(4B) . . . . . .

F30(5) . . . . . .

F31**[** In any case where—

(6) (a) on a claim under **[**F32section 37 of CTA 2010**]**, the whole or any part of a loss incurred in an accounting period ("the later period") has been **[**F33relieved (whether under that section or section 42 of that Act)**]** for the purposes of corporation tax against profits of a preceding accounting period ("the earlier period");

(b) the earlier period does not fall wholly within the period of twelve months immediately preceding the later period; and

(c) if the claim had not been made, there would be an amount or, as the case may be, an additional amount of corporation tax for the earlier period which would carry interest in accordance with this section,

then, for the purposes of the determination at any time of whether any interest is payable under this section or of the amount of interest so payable, the amount mentioned in paragraph (c) above shall be taken to be an amount of unpaid corporation tax for the earlier period except so far as concerns interest for any time after the date on which any corporation tax for the later period became (or, as the case may be, would have become) due and payable **[**F34as mentioned in subsection (8) below**]**.

F35(7) . . . . . .**]**

[In subsections (4), (4A) and (6) above, any reference to the date on which corporation

F36(8) tax for an accounting period became, or would have become, due and payable shall be construed on the basis that corporation tax for an accounting period becomes due and payable on the day following the expiry of nine months from the end of the accounting period.**]**

[The power conferred by section 59E of this Act (alteration of date on which

F37(9) corporation tax becomes due and payable) does not include power to make provision in relation to subsection (4), (4A), (6) or (8) above the effect of which would be to

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change the meaning of references in subsection (4), (4A) or (6) above to the date on which corporation tax for an accounting period became, or would have become, due and payable (as mentioned in subsection (8) above).**]]**

Textual Amendments

F8 S. 87A inserted by Finance (No. 2) Act 1987 (c. 51), **ss. 85**, 95(2)

F9 Words in s. 87A substituted by Finance Act 1989 (c. 26), **s. 179(1)(b)**; S.I. 1989/1298.

F10 Words in s. 87A(1) substituted (with effect in accordance with s. 199(2)(3) of the amending Act) by Finance Act 1994 (c. 9), **Sch. 19 para. 24**; S.I. 1998/3173, art. 2

F11 Words in s. 87A(3) inserted (with effect in accordance with s. 98(2), Sch. 29 para. 9(3)) of the amending Act) by Finance Act 2000 (c. 17), **Sch. 28 para. 3(4)(a)**, Sch. 29 para. 9(2)(a) (with Sch. 29 para. 46(5))

F12 Income and Corporation Taxes Act 1988 (c. 1), s. 844, **Sch. 29 para. 10(4)(b)**.

F13 Words in s. 87A(3) substituted (6.3.1992 with effect as mentioned in s. 289(1)(2) of the substituting Act) by Taxation of Chargeable Gains Act 1992 (c. 12), ss. 289, 290, **Sch. 10 para. 2(9)** (with ss. 60, 101(1), 171, 201(3))

F14 Words in s. 87A(3) inserted (with effect in accordance with Sch. 29 para. 9(3) of the amending Act) by Finance Act 2000 (c. 17), **Sch. 29 para. 9(2)(b)** (with Sch. 29 para. 46(5))

F15 Words in s. 87A(3) repealed (with effect in accordance with Sch. 29 para. 4(7) of the amending Act) by Finance Act 2000 (c. 17), **Sch. 40 Pt. 2(12)**

F16 Word in s. 87A(3) repealed (with effect in accordance with s. 98(2) of the amending Act) by Finance Act 2000 (c. 17), **Sch. 40 Pt. 2(11)**

F17 Words in s. 87A(3) substituted (with effect in accordance with s. 92(7) of the amending Act) by Finance Act 1999 (c. 16), **s. 92(5)**

F18 Words in s. 87A(3) substituted (with effect in accordance with s. 84(1) of the amending Act) by Finance Act 2002 (c. 23), **Sch. 29 para. 69(4)**

F19 Words in s. 87A(3) repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), Sch. 1 para. 156(2)(a), **Sch. 3 Pt. 1** (with Sch. 2)

F20 Words in s. 87A(3) inserted (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 1 para. 156(2)(b)** (with Sch. 2)

F21 S. 87A(4) repealed (with effect in accordance with Sch. 3 para. 4(4) of the amending Act) by Finance Act 1998 (c. 36), Sch. 3 para. 4(2), **Sch. 27 Pt. 3(2)**

F22 S. 87A(4A) inserted (27.7.1993) by 1993 c. 34, s. 170, **Sch. 18 para.1**

F23 Words in s. 87A(4A)(a) substituted (with effect in accordance with s. 105(1) of the amending Act) by Finance Act 1996 (c. 8), **Sch. 14 para. 1(1)(a)** (with Sch. 15)

F24 Words in s. 87A(4A)(b) substituted (with effect in accordance with s. 105(1) of the amending Act) by Finance Act 1996 (c. 8), **Sch. 14 para. 1(1)(b)** (with Sch. 15)

F25 Words in s. 87A(4A)(b) substituted (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), **Sch. 1 para. 305** (with Sch. 2 Pts. 1, 2)

F26 S. 87A(4A)(c) substituted (23.3.1995) by Finance Act 1995 (c. 4), Sch. 24 paras. 7, **8(a)**; S.I. 1994/3224, art. 2

F27 Words in s. 87A(4A) substituted (23.3.1995) by Finance Act 1995 (c. 4), Sch. 24 paras. 7, **8(b)**; S.I. 1994/3224, art. 2

F28 Words in s. 87A(4A) substituted (with effect in accordance with Sch. 4 para. 4(5)(6) of the amending Act) by Finance Act 1998 (c. 36), **Sch. 4 para. 4(2)**; S.I. 1998/3173, art. 2

F29 S. 87A(4B) repealed (with effect in accordance with Sch. 3 para. 4(5) of the amending Act) by Finance Act 1998 (c. 36), Sch. 3 para. 4(3), **Sch. 27 Pt. 3(2)**

F30 S. 87A(5) omitted (with effect in accordance with Sch. 1 para. 73 of the amending Act) by virtue of Finance Act 2016 (c. 24), **Sch. 1 para. 51(10)**

F31 S. 87A(6)(7) substituted (27.7.1993) for s. 87A(6) by 1993 c. 34, s. 120, **Sch. 14 para. 4(2)**

F32 Words in s. 87A(6)(a) substituted (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 1 para. 156(4)(a)** (with Sch. 2)

F33 Words in s. 87A(6)(a) substituted (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 1 para. 156(4)(b)** (with Sch. 2)

F34 Words in s. 87A(6) substituted (with effect in accordance with Sch. 4 para. 4(5)(6) of the amending Act) by Finance Act 1998 (c. 36), **Sch. 4 para. 4(2)**; S.I. 1998/3173, art. 2

F35 S. 87A(7) repealed (with effect in accordance with Sch. 3 para. 4(5) of the amending Act) by Finance Act 1998 (c. 36), Sch. 3 para. 4(3), **Sch. 27 Pt. 3(2)**

F36 S. 87A(8) inserted (with effect in accordance with Sch. 4 para. 4(5)(6) of the amending Act) by Finance Act 1998 (c. 36), **Sch. 4 para. 4(3)**; S.I. 1998/3173, art. 2

F37 S. 87A(9) inserted (with effect in accordance with Sch. 4 para. 4(5)(6) of the amending Act) by Finance Act 1998 (c. 36), **Sch. 4 para. 4(4)**; S.I. 1998/3173, art. 2

Modifications etc. (not altering text)

C20 S. 87A modified (3.5.1994) by Finance Act 1994 (c. 9), **s. 250(4)**(5)

C21 S. 87A applied (with effect in accordance with s. 117(4)(5) of the amending Act) by Finance Act 1998 (c. 36), **Sch. 18 para. 52(6)** (with Sch. 18 para. 59(2)); S.I. 1998/3173, art. 2

C22 S. 87A modified (with effect in accordance with s. 63(4) of the amending Act) by Finance Act 2000 (c. 17), **Sch. 15 para. 63(2)**

C23 S. 87A applied (with modifications) (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), **ss. 716**, 1184(1) (with Sch. 2)

C24 S. 87A applied (with modifications) (with effect in accordance with reg. 1(2) of the affecting S.I.) by The Corporation Tax (Instalment Payments) Regulations 1998 (S.I. 1998/3175), regs. 1(1), **7** (as amended by S.I. 2011/1785, regs. 1(1)(2), 10; and (1.4.2019) by S.I. 2017/1072, regs. 1(1), 9 (with reg. 1(2)))

Marginal Citations

M1 1882 c. 61.

[F38]88 Interest on tax recovered to make good loss due to taxpayer's fault.

. . . . . .

Textual Amendments

F38 S. 88 repealed (with effect in accordance with Sch. 18 para. 17 of the amending Act) by Finance Act 1996 (c. 8), Sch. 18 para. 4(1), **Sch. 41 Pt. 5(8)**

[F39]88A Determinations under section 88.

. . . . . .

Textual Amendments

F39 S. 88A repealed (with effect in accordance with Sch. 18 para. 17 of the amending Act) by Finance Act 1996 (c. 8), Sch. 18 para. 4(2)(a), **Sch. 41 Pt. 5(8)**

[F40]89 The prescribed rate of interest.

. . . . . .

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Textual Amendments

F40 S. 89 repealed (18.8.1989) by Finance Act 1989 (c. 26), ss. 178(7), 187(1), Sch. 17 Part X

90 [F41Interest on tax payable gross]

[F42(1)] Interest payable under this Part of this Act

[F42(a)] shall be paid without any deduction of income tax F43...

F43(b) . . . . . .

F44(2) . . . . . .

Textual Amendments

F41 S. 90 heading substituted (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), **Sch. 1 para. 306(4)** (with Sch. 2 Pts. 1, 2)

F42 S. 90(1)(a)(b) renumbered (31.7.1998) by Finance Act 1998 (c. 36), **s. 33(2)**

F43 S. 90(1)(b) and preceding word repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), Sch. 1 para. 306(2), **Sch. 3 Pt. 1** (with Pts. 1, 2, Sch. 2 para. 142)

F44 S. 90(2) repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), Sch. 1 para. 306(3), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

Modifications etc. (not altering text)

C25 S. 90 applied (27.7.1993) by 1993 c. 34, s. 173, **Sch. 19 Pt. II para.11(5)**

C26 S. 90 applied (with modifications) by the Oil Taxation Act 1975 (c. 22), s. 1, Sch. 2 para. 1(1)

C27 S. 90 applied by The Education (Student Loans) (Repayment) Regulations 2009 (S.I. 2009/470), **reg. 39(3)** (as substituted (31.10.2011) by S.I. 2011/784, regs. 1(2), **8**)

C28 S. 90 applied (N.I.) by The Education (Student Loans) (Repayment) Regulations (Northern Ireland) 2009 (S.R. 2009/128), **reg. 34** (as substituted (31.10.2011) by S.R. 2011/137, regs. 1(2), **7**)

C29 S. 90 applied (with application in accordance with reg. 1 of the amending S.I.) by The Education (Postgraduate Masters Degree Loans) Regulations 2016 (S.I. 2016/606), regs. 1(1), **49(2)**

91 Effect on interest of reliefs.

(1) Where any amount of interest is payable under section 86 F45... of this Act in relation to an assessment, and relief from tax charged by the assessment is given to any person by a discharge of any of that tax, such adjustment shall be made of the said amount, and such repayment shall be made of any amounts previously paid under [F46that section] in relation to the assessment, as are necessary to secure that the total sum, if any, paid or payable under [F46that section] in relation to the assessment is the same as it would have been if the tax discharged had never been charged.

[F47(1A) Where interest is payable under section 87A of this Act in respect of an amount of corporation tax for an accounting period, and relief from tax is given by a discharge of any of that corporation tax—

(a) such adjustment shall be made of the amount of interest payable under that section in respect of corporation tax for that accounting period, and

(b) such repayment shall be made of any amounts of interest previously paid under that section in respect of that corporation tax,

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as are necessary to secure that the total sum (if any) paid or payable under that section in respect of corporation tax for that accounting period is the same as it would have been if the tax discharged had never been charged.

(1B) Subsection (1A) above has effect subject to section 87A(4)**[**[F48], (4A), (4B),**][**[F49](6) and (7)**]** of this Act.**]**

(2) **[**[F50]Subject to subsection (2A) below**]** Where relief from tax [F51]... paid for any chargeable period is given to any person by repayment, he shall be entitled to require that the amount repaid shall be treated for the purposes of this section, so far as it will go, as if it were a discharge of the tax charged on him (whether alone or together with other persons) by or by virtue of any assessment for or relating to the same chargeable period, so, however, that it shall not be applied to any assessment made after the relief was given and that it shall not be applied to more than one assessment so as to reduce, without extinguishing, the amount of tax charged thereby.

[[F52](2A) In any case where—

(a) relief from corporation tax is given to any person by repayment, and

(b) that tax was paid for an accounting period ending after the day which is the appointed day for the purposes of section **[**[F53]10 of the principal Act**]**,

that person shall be entitled to require that the amount repaid shall be treated for the purposes of this section, so far as it will go, as if it were a discharge of the corporation tax charged on him for that period.**]**

(3) Notwithstanding anything in the preceding provisions of this section, no relief, whether given by way of discharge or repayment, shall be treated for the purposes of this section as—

[F54](a) . . . . . .

(b) affecting tax charged by any assessment to income tax made under Schedule A or Schedule D if either—

[F54](i) . . . . . .

(ii) it arises in connection with income taxable otherwise than under Schedule A or Schedule D, or

(iii) it relates to a source income from which is taxable otherwise than under Schedule A or Schedule D **[**[F55]or

(c) affecting tax charged at a rate other than the basic rate**[**[F56], **[**[F57]the Scottish basic rate, a Scottish rate below the Scottish basic rate, the Scottish intermediate rate,**][**[F58]the Welsh basic rate,**]** the savings nil rate**][**[F59]or the starting rate for savings**]** on income from which tax has been deducted (otherwise than under **[**[F60]PAYE regulations**]**) or is treated as having been deducted, unless it is a relief from the tax so charged**]**.

(4) For the purposes of this section a relief from corporation tax or capital gains tax shall not be treated as affecting tax charged by any assessment unless the assessment is to the same tax .

Textual Amendments

F45 Words in s. 91(1) repealed (with effect in accordance with Sch. 18 para. 17 of the amending Act) by Finance Act 1996 (c. 8), Sch. 18 para. 4(2)(b)(i), **Sch. 41 Pt. 5(8)**

F46 Words in s. 91(1) substituted (with effect in accordance with Sch. 18 para. 17 of the amending Act) by Finance Act 1996 (c. 8), **Sch. 18 para. 4(2)(b)(ii)**

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F47 S. 91(1A)(1B) inserted (23.7.1987 with effect with respect to accounting periods ending after 30.9.1993) by 1987 c. 51, **s. 86(5)(7)**; S.I. 1992/3066, **art.2(2)(a)**.

F48 Words in s. 91(1B) inserted (23.3.1995) by Finance Act 1995 (c. 4), Sch. 24 paras. 7, **10**; S.I. 1994/3224, art. 2

F49 Words in s. 91(1B) inserted (27.7.1993) by 1993 c. 34, s. 120, **Sch. 14 para.5**

F50 Words in s. 91(2) added (23.7.1987 with effect with respect to accounting periods ending after 30.9.1993) by 1987 c. 51, **s. 86(6)(7)**; S.I. 1992/3066, **art.2(2)(a)**.

F51 *Amended in relation to development land tax by*Development Land Tax Act 1976 Sch.8 para.24*and amendment repealed by*1985 s.98(6)*and*Sch.27 Part X.

F52 S. 91(2A) added (23.7.1987 with effect with respect to accounting periods ending after 30.9.1993) by 1987 c. 51, **s. 86(6)(7)**; S.I. 1992/3066, **art.2(2)(a)**.

F53 Income and Corporation Taxes Act 1988 (c. 1, SIF 63:1), s. 844, **Sch. 29 para. 10(6)**.

F54 *Words omitted repealed for* 1973—74 *et seq. by* Finance Act 1971 ss. 37, 38, Sch.6 para.88, Sch.14 Part II.

F55 Finance Act 1971 (c. 68), ss.37, 38, **Sch.6 para.88**, with effect for 1973—74 et seq.

F56 Words in s. 91(3)(c) inserted (with effect in accordance with s. 4(17) of the amending Act) by Finance Act 2016 (c. 24), **s. 4(16)**

F57 Words in s. 91(3)(c) inserted (6.4.2018) by The Scottish Rates of Income Tax (Consequential Amendments) Order 2018 (S.I. 2018/459), arts. 1(2), **2(3)**

F58 Words in s. 91(3)(c) inserted (with effect in accordance with art. 1(2) of the amending S.I.) by The Devolved Income Tax Rates (Consequential Amendments) Order 2019 (S.I. 2019/201), arts. 1(1), **2**

F59 Words in s. 91(3)(c) substituted (with effect in accordance with Sch. 1 para. 65 of the amending Act) by Finance Act 2008 (c. 9), **Sch. 1 para. 39**

F60 Words in s. 91(3)(c) substituted (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), **Sch. 6 para. 136** (with Sch. 7)

Modifications etc. (not altering text)

C30 S. 91 applied (N.I.) by The Education (Student Loans) (Repayment) Regulations (Northern Ireland) 2009 (S.R. 2009/128), **reg. 34** (as substituted (31.10.2011) by S.R. 2011/137, regs. 1(2), **7**)

C31 S. 91 applied by The Education (Student Loans) (Repayment) Regulations 2009 (S.I. 2009/470), **reg. 39(3)** (as substituted (31.10.2011) by S.I. 2011/784, regs. 1(2), **8**)

C32 S. 91 applied (with application in accordance with reg. 1 of the amending S.I.) by The Education (Postgraduate Masters Degree Loans) Regulations 2016 (S.I. 2016/606), regs. 1(1), **49(2)**

C33 S. 91 excluded by Income and Corporation Taxes Act 1988 (c. 1), s. 306

[F61]91A . . . . . .

Textual Amendments

F61 S. 91A added by Development Land Tax Act 1976 (c. 24) Sch.8 para.25. Development Land Tax Act 1976 repealed by Finance Act 1985 (c. 54), s.98(6), Sch.27 Part X.

92 Remission in certain cases of interest on tax in arrear by reason of exchange restrictions.

(1) The provisions of this section shall have effect where the Board are satisfied as respects any tax carrying interest under section 86 of this Act—

(a) that the tax is in respect of income or chargeable gains arising in a country outside the United Kingdom, and

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(b) that, as the result of action of the government of that country, it is impossible for the income or gains to be remitted to the United Kingdom, and

(c) that having regard to the matters aforesaid and to all the other circumstances of the case it is reasonable that the tax should for the time being remain uncollected,

and the Board allow the tax to remain uncollected accordingly.

(2) Interest on the said tax shall, subject to subsection (3) below, cease to run under the said section 86 as from the date on which the Board were first in possession of the information necessary to enable them to be satisfied as aforesaid and, if the said date is not later than three months from the time when the tax became due and payable, the interest thereon under the said section 86 in respect of the period before the said date shall be remitted.

(3) Where, under subsection (2) above, interest has ceased to run on any tax and thereafter demand is made by the collector or other proper officer for payment of all or any of that tax, interest under the said section 86 shall again begin to run from the date of the demand in respect of the amount demanded:

Provided that where all or any part of the amount demanded is paid not later than three months from the date of the demand, the interest under the said section 86 on the amount so paid running from the date of the demand shall be remitted.

Modifications etc. (not altering text)

C34 S. 92 modified by Finance (No. 2) Act 1987 (c. 51), **s. 86(3)**

Changes to legislation:
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View outstanding changes

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Blanket Amendment words substituted by 2005 c. 4 Sch. 11 para. 5

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 12ABZAA(5)(a) words substituted by 2017 c. 32, Sch. 14 para. 10BA(3)(a) (as inserted) by 2020 c. 14 s. 104(4)
- s. 12ABZAA(5)(b) words substituted by 2017 c. 32, Sch. 14 para. 10BA(3)(b) (as inserted) by 2020 c. 14 s. 104(4)
- s. 7(1BA) words substituted by 2017 c. 32 Sch. 14 para. 2(3)
- s. 8(1I)-(1L) inserted by 2024 c. 3 s. 36(1)
- s. 8(1AB)-(1AD) inserted by 2017 c. 32 Sch. 14 para. 3(5)
- s. 8(1HA) inserted by 2017 c. 32 Sch. 14 para. 3(11)
- s. 8A(1)(1ZA) substituted for s. 8A(1) by 2017 c. 32 Sch. 14 para. 4(3)
- s. 8A(1G)-(1J) inserted by 2024 c. 3 s. 36(2)
- s. 8A(1AB)-(1AD) inserted by 2017 c. 32 Sch. 14 para. 4(5)
- s. 8A(1FA) inserted by 2017 c. 32 Sch. 14 para. 4(9)
- s. 8A(6)(7) inserted by 2017 c. 32 Sch. 14 para. 4(12)
- s. 12B(1)(1A) substituted for s. 12B(1) by 2017 c. 32 Sch. 14 para. 14(2)
- s. 12B(2ZA)(2ZB) inserted by 2017 c. 32 Sch. 14 para. 14(4)
- s. 12C and cross-heading inserted by 2017 c. 32 s. 60(2)
- s. 12AA(5F)-(5I) inserted by 2024 c. 3 s. 36(3)
- s. 12AC(1)(aa) inserted by 2017 c. 32 Sch. 14 para. 13(2)(c)
- s. 12AC(7)(a) words inserted by 2017 c. 32 Sch. 14 para. 13(3)(b)
- s. 12AC(7)(a) words renumbered as s. 12AC(7)(a) by 2017 c. 32 Sch. 14 para. 13(3)(a)
- s. 12AC(7)(b) inserted by 2017 c. 32 Sch. 14 para. 13(3)(c)
- s. 12ABA(5) inserted by 2017 c. 32 Sch. 14 para. 11(4)
- s. 28ZA(6)(c) inserted by 2017 c. 32 Sch. 14 para. 15(b)
- s. 29(6)(aa) inserted by 2017 c. 32 Sch. 14 para. 20(3)
- s. 29(7)(a)(ia) omitted by 2019 c. 1 Sch. 2 para. 25(6)
- s. 46B(5)(f) and word inserted by 2009 c. 4 Sch. 1 para. 303
- s. 61(1A) inserted by 2007 c. 15 Sch. 13 para. 33(3)
- s. 61(1A) omitted by 2008 c. 9 Sch. 43 para. 1(3)
- s. 63(2)(aa) inserted by 2007 asp 3 Sch. 5 para. 9(2)
- Sch. A1 amendment to earlier affecting provision 2017 c. 32, s. 60 by 2018 c. 3 Sch. 6 para. 7(2)(a)
- Sch. A1 amendment to earlier affecting provision 2017 c. 32, s. 60 by 2018 c. 3 Sch. 6 para. 7(2)(b)
- Sch. A1 inserted by 2017 c. 32 s. 60(3)
- Sch. A1 para. 8(6)(b) omitted by 2022 c. 3 Sch. 1 para. 32(b)
- Sch. A1 para. 8(2) substituted by 2022 c. 3 Sch. 1 para. 32(a)