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# Taxes Management Act 1970

## 1970 CHAPTER 9

### [<sup>F1</sup>PART VA

#### PAYMENT OF TAX]

#### [<sup>F2</sup>Corporation tax

#### Textual Amendments

**F2** Ss. 59D, 59DA and cross-heading substituted for s. 59D (with effect in accordance with s. 117(4)(5) of the amending Act) by [Finance Act 1998 \(c. 36\)](#), [Sch. 19 para. 29\(2\)](#); [S.I. 1998/3173](#), art. 2

#### **59D General rule as to when corporation tax is due and payable.**

- (1) Corporation tax for an accounting period is due and payable on the day following the expiry of nine months from the end of that period.
- (2) If the tax payable is then exceeded by the total of any relevant amounts previously paid (as stated in the relevant company tax return), the excess shall be repaid.
- (3) The tax payable means the amount computed in accordance with paragraph 8 of Schedule 18 to the Finance Act 1998.
- (4) Relevant amounts previously paid means any of the following, so far as relating to the accounting period in question—
  - (a) any amount of corporation tax paid by the company and not repaid;
  - (b) any corporation tax refund surrendered to the company by another group company;
  - (c) any amount by which the sums available for set off under Step 4 of the calculation in paragraph 8 of Schedule 18 to the Finance Act 1998 (amounts set off against overall tax liability) exceeds the amount against which they may be set off under that provision;

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- (d) any amount treated as corporation tax paid in respect of profits of the company [<sup>F3</sup>by virtue of regulations under section 62 of the Finance Act 2004] (deductions from payments to sub-contractors).

- (5) This section has effect subject to section 59E.

#### Textual Amendments

- F3** Words in s. 59D(4)(d) substituted (with effect in accordance with s. 77 of the amending Act) by Finance Act 2004 (c. 12), **Sch. 12 para. 2(2)**

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

- C3** S. 59D applied (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), **ss. 455(3), 1184(1)** (with Sch. 2)
- C4** S. 59D(5) modified (17.7.2012) by Finance Act 2012 (c. 14), **Sch. 34 para. 12(7)** (with Sch. 34 para. 12)

### 59DA Claim for repayment in advance of liability being established.

- (1) This section applies where a company has paid an amount of corporation tax for an accounting period and the circumstances of the company change, so that the company has grounds for believing that the amount paid exceeds its probable tax liability although that liability has not been finally established.
- (2) The company may, by notice given to an officer of the Board, claim repayment of the excess.
- No such claim may be made before the date which under section 826 of the principal Act (interest on overpaid tax), subject to regulations under section 826A of that Act, is the material date in relation to that tax.
- (3) The notice must state—
- the amount which the company considers should be repaid, and
  - its grounds for believing that the amount paid exceeds its probable tax liability.
- (4) If the company has appealed against an amendment of an assessment, or an assessment, relating to the tax liability in question, and the appeal has not been finally determined, it may apply to the [<sup>F4</sup>tribunal] for a determination of the amount which should be repaid to the company pending determination of the liability.
- [<sup>F5</sup>(5) Any such application is to be subject to the relevant provisions of Part 5 of this Act (see, in particular, section 48(2)(b)).]
- (6) If the company makes an application under section 55(3) or (4) (application to postpone payment pending determination of appeal), that application may be combined with an application under subsection (4) above.
- (7) If a company makes a claim or application under this section before it has delivered a company tax return for the period in question, any deductions under [<sup>F6</sup>section 61 of the Finance Act 2004] (deductions from payments to certain subcontractors) shall be disregarded in considering whether the amount paid by the company exceeds its probable tax liability.
- (8) This section has effect subject to section 59E.]

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#### Textual Amendments

- F4** Word in s. 59DA(4) substituted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 40(2)**
- F5** S. 59DA(5) substituted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 40(3)**
- F6** Words in s. 59DA(7) substituted (with effect in accordance with s. 77 of the amending Act) by [Finance Act 2004 \(c. 12\)](#), **Sch. 12 para. 3(2)**

#### [<sup>F7</sup>59E Further provision as to when corporation tax is due and payable.

- (1) The Treasury may by regulations make provision, in relation to companies of such descriptions as may be prescribed, for or in connection with treating amounts of corporation tax for an accounting period as becoming due and payable on dates which fall on or before the date on which corporation tax for that period would become due and payable apart from this section.
- (2) Without prejudice to the generality of subsection (1) above, regulations under this section may make provision—
  - (a) for or in connection with the determination of amounts of corporation tax which are treated as becoming due and payable under the regulations;
  - (b) for or in connection with the determination of the dates on which amounts of corporation tax are treated as becoming due and payable under the regulations;
  - (c) for or in connection with the making of payments to the Board in respect of amounts of corporation tax which are treated as becoming due and payable under the regulations;
  - (d) for or in connection with the determination of the amount of any such payments as are mentioned in paragraph (c) above;
  - (e) for or in connection with the determination of the dates on which any such payments as are mentioned in paragraph (c) above become due and payable;
  - (f) for or in connection with any assumptions which are to be made for any purposes of the regulations;
  - (g) for or in connection with the payment to the Board of interest on amounts of corporation tax which are treated as becoming due and payable under the regulations;
  - (h) for or in connection with the repayment of amounts paid under the regulations;
  - (i) for or in connection with the payment of interest by the Board on amounts paid or repaid under the regulations;
  - (j) with respect to the furnishing of information to the Board;
  - (k) with respect to the keeping, production or inspection of any books, documents or other records;
  - (l) for or in connection with the imposition of such requirements as the Treasury think necessary or expedient for any purposes of the regulations;
  - (m) for or in connection with appeals in relation to questions arising under the regulations.
- (3) Regulations under this section may make provision—
  - (a) for amounts of corporation tax for an accounting period to be treated as becoming due and payable on dates which fall within the accounting period;

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- (b) for payments in respect of any such amounts of corporation tax for an accounting period as are mentioned in paragraph (a) above to become due and payable on dates which fall within the accounting period.
- (4) Where interest is charged by virtue of regulations under this section on any amounts of corporation tax for an accounting period which are treated as becoming due and payable under the regulations, the company shall, in such circumstances as may be prescribed, be liable to a penalty not exceeding twice the amount of that interest.
- (5) Regulations under this section—
- (a) may make such modifications of any provisions of the Taxes Acts, or
  - (b) may apply such provisions of the Taxes Acts,
- as the Treasury think necessary or expedient for or in connection with giving effect to the provisions of this section.
- (6) Regulations under this section which apply any provisions of the Taxes Acts may apply those provisions either without modifications or with such modifications as the Treasury think necessary or expedient for or in connection with giving effect to the provisions of this section.
- (7) Regulations under this section—
- (a) may make different provision for different purposes, cases or circumstances;
  - (b) may make different provision in relation to companies or accounting periods of different descriptions;
  - (c) may make such supplementary, incidental, consequential or transitional provision as appears to the Treasury to be necessary or expedient.
- (8) Subject to subsection (9) below, regulations under this section may make provision in relation to accounting periods beginning before (as well as accounting periods beginning on or after) the date on which the regulations are made.
- (9) Regulations under this section may not make provision in relation to accounting periods ending before the day appointed under section 199 of the Finance Act 1994 for the purposes of Chapter III of Part IV of that Act (corporation tax self-assessment).
- (10) In this section—
- “modifications” includes amendments, additions and omissions;
- “prescribed” means prescribed by regulations made under this section.
- (11) Any reference in this section to corporation tax includes a reference—
- (a) to any amount due from a company under [<sup>F8</sup>section 455 of CTA 2010 (charge to tax in case of loan to participator)] as if it were an amount of corporation tax chargeable on the company;
  - [<sup>F9</sup>(b) to any sum charged on a company at step 5 in section 371BC(1) of TIOPA 2010 (controlled foreign companies) as if it were an amount of corporation tax;]
  - [<sup>F10</sup>(c) to any sum chargeable on a company under [<sup>F11</sup>section 330(1) of CTA 2010] (supplementary charge in respect of ring fence trades) as if it were an amount of corporation tax chargeable on the company];
  - [<sup>F12</sup>(d) to the bank levy where treated as an amount of corporation tax chargeable on a company by paragraph 50 or 51 of Schedule 19 to the Finance Act 2011 (the bank levy).]

[ Without prejudice to the generality of any provision above—

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- <sup>F13</sup>(12) (a) in relation to cases where the bank levy is treated as an amount of corporation tax chargeable on a company, regulations under this section may make provision—
- (i) for amounts of the bank levy to be treated as becoming due and payable on dates which fall within the chargeable period (within the meaning of Schedule 19 to the Finance Act 2011);
  - (ii) for payments in respect of any such amounts of the bank levy as are mentioned in sub-paragraph (i) to become due and payable on dates which fall within that period;
- (b) in relation to cases where a company on which the bank levy is treated as an amount of corporation tax chargeable for an accounting period has made payments in respect of corporation tax for that period, regulations under this section may make provision for or in connection with determining the extent to which those payments are to be treated as being payments of the bank levy;
- (c) in relation to cases where a company (“ the relevant company ”) has made payments in respect of corporation tax for an accounting period wholly or partly on the assumption that the bank levy will be treated as an amount of corporation tax chargeable on the relevant company for that period, regulations under this section may make provision for or in connection with treating those payments (wholly or partly) to have been made by another company if it turns out that the bank levy is not to be treated as an amount of corporation tax chargeable on the relevant company for that period;
- (d) where regulations under this section impose a requirement within subsection (2)(j) above to furnish information for purposes related to the bank levy, the regulations may make provision for or in connection with applying Part 7 of Schedule 36 to the Finance Act 2008 in whole or in part (with or without modification) as if the requirement to furnish the information were contained in an information notice within the meaning of that Schedule.]]

#### Textual Amendments

- F7** S. 59E inserted (31.7.1998) by [Finance Act 1998 \(c. 36\), s. 30\(1\)](#)
- F8** Words in s. 59E(11)(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. 155\(a\)](#) (with Sch. 2)
- F9** S. 59E(11)(b) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\), Sch. 20 para. 12](#) (with Sch. 20 para. 50(9))
- F10** S. 59E(11)(c) added (24.7.2002) by [Finance Act 2002 \(c. 23\), s. 92\(2\)](#)
- F11** Words in s. 59E(11)(c) 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. 155\(b\)](#) (with Sch. 2)
- F12** S. 59E(11)(d) inserted (19.7.2011) by [Finance Act 2011 \(c. 11\), Sch. 19 para. 58\(2\)](#)
- F13** S. 59E(12) inserted (19.7.2011) by [Finance Act 2011 \(c. 11\), Sch. 19 para. 58\(3\)](#)

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

- C5** S. 59E restricted by Income and Corporation Taxes Act 1988 (c. 1), s. 826(7E) (as inserted (with effect in accordance with Sch. 4 para. 5(5)(6) of the amending Act) by [Finance Act 1998 \(c. 36\), Sch. 4 para. 5\(4\)](#); S.I. 1998/3173, art. 2)

#### [<sup>F14</sup>59F Arrangements for paying tax on behalf of group members

- (1) An officer of Revenue and Customs may enter into arrangements for the specified purpose with some or all of the members of a group.

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- (2) For the purposes of subsection (1), arrangements entered into with some or all of the members of a group are for “the specified purpose” if they are arrangements for one of those members to discharge any liability of each of those members to pay corporation tax for the accounting periods to which the arrangements relate.
- (3) For the purposes of this section, a company and all its 51% subsidiaries form a group and, if any of those subsidiaries has 51% subsidiaries, the group includes them and their 51% subsidiaries, and so on.
- (4) Arrangements entered into under subsection (1)—
- (a) may make provision in relation to cases where companies become or cease to be members of a group,
  - (b) may make provision in relation to the discharge of liability to pay interest or penalties,
  - (c) may make provision in relation to the discharge of liability to pay any amount within subsection (6),
  - (d) may make provision for or in connection with the termination of the arrangements, and
  - (e) may make such supplementary, incidental, consequential or transitional provision as is necessary for the purposes of the arrangements.
- (5) Arrangements entered into under subsection (1)—
- (a) do not affect the liability to corporation tax, or to pay corporation tax, of any company to which the arrangements relate, and
  - (b) do not affect any other liability under the Tax Acts of any company to which the arrangements relate.
- (6) The following amounts are within this subsection—
- (a) an amount due from a company under section 455 of CTA 2010 (charge to tax in case of loan to participator in close company) as if it were an amount of corporation tax chargeable on the company, and
  - [<sup>F15</sup>(b) a sum charged on a company at step 5 in section 371BC(1) of TIOPA 2010 (controlled foreign companies) as if it were an amount of corporation tax, and]
  - [<sup>F16</sup>(c) the bank levy where treated as an amount of corporation tax chargeable on a company by paragraph 50 or 51 of Schedule 19 to the Finance Act 2011 (the bank levy)].]

#### Textual Amendments

- F14** S. 59F inserted (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), s. 381(1), **Sch. 7 para. 79** (with Sch. 9 paras. 1-9, 22)
- F15** S. 59F(6)(b) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), **Sch. 20 para. 13** (with Sch. 20 para. 50(9))
- F16** S. 59F(6)(c) and preceding word inserted (19.7.2011) by [Finance Act 2011 \(c. 11\)](#), **Sch. 19 para. 59**

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VALID FROM 11/07/2019

### [<sup>F17</sup>59FBCT payment plans for tax on certain transactions with EEA residents

Schedule 3ZC makes provision enabling a company that is liable to pay corporation tax arising in connection with certain transactions to defer payment of the tax by entering into a CT payment plan.]

#### Textual Amendments

**F17** S. 59FB inserted (retrospective and with effect in accordance with [Sch. 7 para. 4\(1\)\(a\)](#) of the amending Act) by [Finance Act 2020 \(c. 14\)](#), [Sch. 7 para. 1](#)

### [<sup>F18</sup>59G Managed payment plans

- (1) This section applies if a person (“P”) has entered into a managed payment plan in respect of—
  - (a) an amount on account of income tax which is to become payable in accordance with section 59A(2),
  - (b) an amount of income tax or capital gains tax which is to become payable in accordance with section 59B, or
  - (c) an amount of corporation tax which is to become payable in accordance with section 59D.
- (2) P enters into a managed payment plan in respect of an amount if—
  - (a) P agrees to pay, and an officer of Revenue and Customs agrees to accept payment of, the amount by way of instalments,
  - (b) the instalments to be paid before the due date are balanced by the instalments to be paid after it (see section 59H), and
  - (c) the agreement meets such other requirements as may be specified in regulations made by the Commissioners for Her Majesty's Revenue and Customs.
- (3) But this section does not apply, in the case of an amount of corporation tax, if an arrangement under section 59F has been made in relation to the amount.
- (4) If P pays all of the instalments in accordance with the plan, P is to be treated as having paid, on the due date, the total of those instalments.
- (5) If P—
  - (a) pays one or more instalments in accordance with the plan, but
  - (b) fails to pay one or more later instalments in accordance with it,P is to be treated as having paid, on the due date, the total of the instalments paid before the failure (but this is subject to subsection (6)).
- (6) If—
  - (a) subsection (5) applies in a case in which the first failure to pay an instalment occurs before the due date, and
  - (b) P would (in the absence of a managed payment plan) be entitled to be paid interest on any amount paid before that date,



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then, despite that subsection, P is entitled to be paid that interest.

(7) If—

- (a) subsection (5) applies,
- (b) P makes one or more payments after the due date (whether or not in accordance with the plan), and
- (c) an officer of Revenue and Customs gives P a notice specifying any or all of those payments,

P is not liable to a penalty or surcharge for failing to pay the amount of the specified payments on or before the due date.

(8) Regulations under this section may make different provision for different cases.

(9) In this section “the due date”, in relation to an amount mentioned in subsection (1), means the date on which it becomes payable.

#### Textual Amendments

**F18** Ss. 59G, 59H inserted (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), s. 381\(1\), Sch. 7 para. 80](#) (with Sch. 9 paras. 1-9, 22)

### 59H Balancing of instalments for the purposes of section 59G

- (1) Subsection (2) applies for the purposes of section 59G(2)(b).
- (2) The instalments to be paid before the due date are balanced by those to be paid after it if the time value of the instalments to be paid before that date is equal, or approximately equal, to the time value of the instalments to be paid after it.
- (3) The time value of the instalments to be paid before the due date is the total of the time value of each of the instalments to be paid before that date (and the time value of the instalments to be paid after that date is to be read accordingly).

(4) The time value of an instalment is—

$$A \times T$$

where—

A is the amount of the instalment, and

T is the number of days before, or after, the due date that the instalment is to be paid.

(5) The Commissioners for Her Majesty's Revenue and Customs may by regulations make provision for the purpose of determining when an amount is approximately equal to another amount.

(6) Regulations under this section may make different provision for different cases.]

#### Textual Amendments

**F18** Ss. 59G, 59H inserted (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), s. 381\(1\), Sch. 7 para. 80](#) (with Sch. 9 paras. 1-9, 22)



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