



Inheritance Tax Act 1984

1984 CHAPTER 51

PART VIII

ADMINISTRATION AND COLLECTION

Adjustments

240 Underpayments.

- (1) Where too little tax has been paid in respect of a chargeable transfer the tax underpaid shall be payable with interest under section 233 above, whether or not the amount that has been paid was that stated as payable in a notice under section 221 above; but subject to section 239 above and to the following provisions of this section.
- (2) Where tax attributable to the value of any property is paid in accordance with an account duly delivered to the Board under this Part of this Act and the payment is made and accepted in full satisfaction of the tax so attributable, no proceedings shall be brought for the recovery of any additional tax so attributable after the end of the period of [^{F1}4 years] beginning with the later of—
 - (a) the date on which the payment (or in the case of tax paid by instalments the last payment) was made and accepted, and
 - (b) the date on which the tax or the last instalment became due;and at the end of that period any liability for the additional tax and any Inland Revenue charge for that tax shall be extinguished.
- [^{F2}(3) Subsection (2) has effect subject to subsections (4) [^{F3}to (5A)].
- (4) Proceedings in a case involving a loss of tax brought about carelessly by a person liable for the tax (or a person acting on behalf of such a person) may be brought at any time not more than 6 years after the later of the dates in subsection (2)(a) and (b).
- (5) Proceedings in a case involving a loss of tax brought about deliberately by a person liable for the tax (or a person acting on behalf of such a person) may be brought at any time not more than 20 years after the later of [^{F4}the dates in subsection (2)(a) and (b)].

Status: Point in time view as at 17/07/2014.

Changes to legislation: There are currently no known outstanding effects for the Inheritance Tax Act 1984, Cross Heading: Adjustments. (See end of Document for details)

- [^{F5}(5A) Proceedings in a case involving a loss of tax attributable to arrangements which were expected to give rise to a tax advantage in respect of which a person liable for the tax was under an obligation to make a report under section 253 of the Finance Act 2014 (duty to notify Commissioners of promoter reference number) but failed to do so, may be brought at any time not more than 20 years after the later of the dates in subsection (2)(a) and (b).]
- (6) Subsection (7) applies to any case not falling within subsection (2) where too little tax has been paid in respect of a chargeable transfer, provided that the case does not involve a loss of tax brought about deliberately by a person liable for the tax (or a person acting on behalf of such a person).
- (7) Where this subsection applies—
- (a) no proceedings are to be brought for the recovery of the tax after the end of the period of 20 years beginning with the date on which the chargeable transfer was made, and
 - (b) at the end of that period any liability for the tax and any Inland Revenue charge for that tax is extinguished.
- (8) In relation to cases of tax chargeable under Chapter 3 of Part 3 of this Act (apart from section 79), the references in subsections (4) [^{F6}to (6)] to a person liable for the tax are to be treated as including references to a person who is the settlor in relation to the settlement.]

Textual Amendments

- F1** Words in s. 240(2) substituted (1.4.2011) by [Finance Act 2009 \(c. 10\), s. 99, Sch. 51 para. 11\(2\)](#); S.I. 2010/867, [art. 2\(2\)](#)
- F2** S. 240(3)-(8) substituted (1.4.2011) for s. 240(3) by [Finance Act 2009 \(c. 10\), s. 99, Sch. 51 para. 11\(3\)](#); S.I. 2010/867, [art. 2\(2\)](#)
- F3** Words in s. 240(3) substituted (17.7.2014) by [Finance Act 2014 \(c. 26\), s. 277\(3\)\(a\)](#) (with ss. 269-271)
- F4** Words in s. 240(5) substituted (17.7.2014) by [Finance Act 2014 \(c. 26\), s. 277\(3\)\(b\)](#) (with ss. 269-271)
- F5** S. 240(5A) inserted (17.7.2014) by [Finance Act 2014 \(c. 26\), s. 277\(3\)\(c\)](#) (with ss. 269-271)
- F6** Words in s. 240(8) substituted (17.7.2014) by [Finance Act 2014 \(c. 26\), s. 277\(3\)\(d\)](#) (with ss. 269-271)

[^{F7}240A Underpayments: supplementary

- (1) This section applies for the purposes of section 240.
- (2) A loss of tax is brought about carelessly by a person if the person fails to take reasonable care to avoid bringing about that loss.
- (3) Where—
 - (a) information is provided to Her Majesty's Revenue and Customs,
 - (b) the person who provided the information, or the person on whose behalf the information was provided, discovers some time later that the information was inaccurate, and
 - (c) that person fails to take reasonable steps to inform Her Majesty's Revenue and Customs,
 any loss of tax brought about by the inaccuracy is to be treated as having been brought about carelessly by that person.

Status: Point in time view as at 17/07/2014.

Changes to legislation: There are currently no known outstanding effects for the Inheritance Tax Act 1984, Cross Heading: Adjustments. (See end of Document for details)

- (4) References to a loss of tax brought about deliberately by a person include a loss of tax brought about as a result of a deliberate inaccuracy in a document given to Her Majesty's Revenue and Customs by or on behalf of that person.]

Textual Amendments

- F7** S. 240A inserted (1.4.2011) by Finance Act 2009 (c. 10), s. 99, Sch. 51 para. 12; S.I. 2010/867, art. 2(2)

241 Overpayments.

- (1) If it is proved to the satisfaction of the Board that too much tax has been paid on the value transferred by a chargeable transfer or on so much of that value as is attributable to any property, the Board shall repay the excess unless the claim for repayment was made more than [^{F8}4 years] after the date on which the payment or last payment of the tax was made.
- (2) References in this section to tax include references to interest on tax.

Textual Amendments

- F8** Words in s. 241(1) substituted (1.4.2011) by Finance Act 2009 (c. 10), s. 99, Sch. 51 para. 13; S.I. 2010/867, art. 2(2)

Status:

Point in time view as at 17/07/2014.

Changes to legislation:

There are currently no known outstanding effects for the Inheritance Tax Act 1984, Cross
Heading: Adjustments.