



Income and Corporation Taxes Act 1988

1988 CHAPTER 1

PART XIX

SUPPLEMENTAL

Miscellaneous

824 Repayment supplements: individuals and others.

[^{F1}(1) Subject to the following provisions of this section, a repayment made by the Board or an officer of the Board of any of the following, namely—

(a) an amount paid on account of income tax under section 59A of the Management Act;

(b) any income tax paid by or on behalf of an individual for a year of assessment;

[^{F2}(c) a penalty payable under any paragraph of Schedule 56 to the Finance Act 2009 in respect of an amount falling within any of the following items of the Table in paragraph 1 of that Schedule—

(i) item 1, 12, 18 or 19; or

(ii) insofar as the tax falls within item 1, item 17, 23 or 24; and]

(d) a penalty incurred by an individual under any of the provisions of that Act,

shall be increased under this section by an amount (a “repayment supplement”) equal to interest on the amount repaid at the rate applicable under section 178 of the Finance Act 1989 for the period (if any) between the relevant time and the date on which the order for the repayment is issued.]

[^{F3F4}(1A)]

(2) [^{F5M1}Subsections (1) ^{F6}. . .] above shall with the necessary modifications apply to a payment of the whole or part of a tax credit as [^{F7}they apply to a repayment falling within subsection (1)] of income tax paid in the year of assessment to which the tax credit relates.

Status: Point in time view as at 01/04/2011. This version of this provision has been superseded.

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[^{F8F9}(2A) Subsection (1) above shall apply to a repayment made in consequence of a claim under section 228 of the Income Tax Act 1952 (relief in respect of income accumulated under trusts) as if the repayment were of income tax paid by the claimant for the year of assessment in which the contingency mentioned in that section happened.]

[^{F10}(2B) Subsection (1) above shall apply to a payment made by the Board under section 375(8) (payment of amount which borrower would have been able to deduct from interest payment under section 369(1)) as if the payment were a repayment falling within that subsection.]

[^{F8}(2C) Subsection (1) above shall apply to a repayment made by the Board as a result of a claim for relief under—

- (a) paragraph 2 of Schedule 1B to the Management Act (carry back of loss relief),
 - (b) paragraph 3 of that Schedule (relief for fluctuating profits of farming etc.), or
 - (c) Schedule 4A to this Act (relief for fluctuating profits of creative artists etc.),
- as if it were a repayment falling within that subsection.]

[^{F11}(2D) Subsection (1) shall apply—

- (a) to a repayment made as mentioned in section 270(4) (repayment of excess of life assurance premium relief clawed back over amount of liability) as if the repayment were a repayment of income tax paid for the tax year in which the event concerned happened; and
- (b) to a payment made under paragraph 6(1) of Schedule 14 (payment where entitlement to life assurance premium relief has not been given by deduction) as if the payment were a repayment of income tax paid for the tax year in which the entitlement to relief arose.]

[^{F12}(3) For the purposes of subsection (1) above—

[^{F13}(aa) if the repayment is a payment made by the Board under section 375(8), the relevant time is—

- (i) if the interest payment was made in the year 1996-97 or a subsequent year of assessment, the 31st January next following that year;
- (ii) if the interest payment was made in an earlier year of assessment, the 5th April next following that year;]

[^{F14}(ab) if the repayment is a repayment as a result of a claim for relief under any of the provisions mentioned in subsection (2C) above, the relevant time is the 31st January next following the year that is the later year in relation to the claim;]

[^{F15}(ac) if the repayment is a repayment as a result of a claim under section 496B of ITA 2007 (relief for payments by discretionary trust taxable as employment income), the relevant time is the 31 January next following the end of the tax year to which the claim relates;]

[^{F16}(ad) if the repayment is a payment falling within subsection (2D)(b), the relevant time is 31 January next following the end of the tax year in which the entitlement to relief arose;]

[^{F17}(a) if the repayment is—

- (i) the repayment of an amount paid in accordance with the requirements of section 59A of the Management Act on account of income tax for a year of assessment, or
- (ii) the repayment of income tax for such a year which is not income tax deducted at source [^{F18}(other than a repayment within paragraph (ac))],

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- the relevant time is the date of the payment that is being repaid;
 - (b) if the repayment is of income tax deducted at source for a year of assessment, the relevant time is the 31st January next following that year; and]
 - (c) if the repayment is of a penalty or surcharge, [^{F19}the relevant time is the date on which the penalty or surcharge was paid].]
- [^{F20}(4) For the purposes of subsection (3) above, where a repayment in respect of income tax for a year of assessment is made to any person, that repayment—
- (a) shall be attributed first to so much of any payment made by him under section 59B of the Management Act as is a payment in respect of income tax for that year;
 - (b) in so far as it exceeds the amount (if any) to which it is attributable under paragraph (a) above, shall be attributed in two equal parts to each of the payments made by him under section 59A of the Management Act on account of income tax for that year;
 - (c) in so far as it exceeds the amounts (if any) to which it is attributable under paragraphs (a) and (b) above, shall be attributed to income tax deducted at source for that year; and
 - (d) in so far as it is attributable to a payment made in instalments shall be attributed to a later instalment before being attributed to an earlier one.
- (4A) In this section any reference to income tax deducted at source for a year of assessment is a reference to—
- (a) income tax deducted or treated as deducted from any income, or treated as paid on any income, in respect of that year, and
 - (b) amounts which, in respect of that year, are tax credits to which [^{F21}section 397(1) [^{F22}or [^{F23}397A(1)]] of ITTOIA 2005] applies,
- but does not include a reference to amounts which, in that year, are deducted at source under [^{F24}PAYE regulations] in respect of previous years.]
- (5) ^{F25}
- (6) [^{F26}^{F27} . . .] The Treasury may by order from time to time increase or decrease the rate of interest by reference to which—
- (a) repayment supplements are calculated under subsection (1) above; and
 - (b) repayment supplements are calculated under section 47 of the Finance (No. 2) Act 1975.
- (7) A repayment supplement shall not be payable under this section in respect of a repayment or payment made in consequence of an order or judgment of a court having power to allow interest on the repayment or payment, or in respect of a repayment of a post-war credit within the meaning of the Income Tax (Repayment of Post-War Credits) Act 1959.
- (8) ^{F28}
- (9) ^{M2}Subsections (1) [^{F29}to (7)] above shall apply in relation to ^{F30} . . . [^{F31}the trustees of a settlement][^{F32}, scheme administrators of registered pension schemes sub-scheme administrators of sub-schemes which form part of a split scheme pursuant to the Registered Pensions (Splitting of Schemes) Regulations 2006][^{F33}or personal representatives ^{F30} . . .] as they apply in relation to an individual.
- (10) ^{F34}

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Textual Amendments

- F1** S. 824(1) substituted (with effect in accordance with s. 199(2)(3), Sch. 19 para. 41(4) of the amending Act) by Finance Act 1994 (c. 9), Sch. 19 para. 41(1); S.I. 1998/3173, art. 2
- F2** S. 824(1)(c) substituted (1.4.2011) by The Finance Act 2009, Schedules 55 and 56 (Income Tax Self Assessment and Pension Schemes) (Appointed Days and Consequential and Savings Provisions) Order 2011 (S.I. 2011/702), arts. 1(1), 11 (with arts. 20, 22)
- F3** S. 824(1A) inserted (retrospectively) by Finance Act 1988 (c. 39), s. 146, Sch. 13 paras. 1, 7(b)
- F4** S. 824(1A) repealed (from 18.8.1989) by Finance Act 1989 (c. 26), ss. 178(7), 187, Sch. 17 Pt. 10, Note; S.I. 1989/1298
- F5** Words in s. 824(2) substituted (retrospectively) by Finance Act 1988 (c. 39) s. 146, Sch.13 para.7(c)
- F6** Words in s. 824(2) repealed (on and after 18.8.1989) by Finance Act 1989 (c. 26), ss. 178(7), 187, Sch.17 Part 10; S.I. 1989/1298
- F7** Words in s. 824(2) substituted (retrospectively) by Finance Act 1988 (c. 39), s. 146, Sch.13 para.7(c)
- F8** S. 824(2C) inserted (with effect in accordance with s. 90(4) of the amending Act) by Finance Act 2001 (c. 9), s. 90(2)
- F9** S. 824(2A) inserted (retrospectively) by Finance Act 1988 (c. 39), s. 146, Sch. 13 paras. 1, 7(d)
- F10** S. 824(2B) inserted (retrospectively, with effect in accordance with s. 41(4)-(6) of the amending Act) by Finance Act 1999 (c. 16), s. 41(2)
- F11** S. 824(2D) inserted (1.4.2011 with effect in accordance with art. 9(1) of the amending S.I.) by The Enactment of Extra-Statutory Concessions Order 2011 (S.I. 2011/1037), arts. 1, 7(2)
- F12** S. 824(3) substituted (with effect in accordance with s. 199(2)(3), Sch. 19 para. 41(4) of the amending Act) by Finance Act 1994 (c. 9), Sch. 19 para. 41(2); S.I. 1998/3173, art. 2
- F13** S. 824(3)(aa) inserted (retrospectively, with effect in accordance with s. 41(4)-(6) of the amending Act) by Finance Act 1999 (c. 16), s. 41(3)
- F14** S. 824(3)(ab) inserted (with effect in accordance with s. 90(4) of the amending Act) by Finance Act 2001 (c. 9), s. 90(3)
- F15** S. 824(3)(ac) inserted (1.4.2010 with effect in accordance with art. 4(3) of the amending S.I.) by The Enactment of Extra-Statutory Concessions Order 2010 (S.I. 2010/157), arts. 1, 4(1)(a)
- F16** S. 824(3)(ad) inserted (1.4.2011 with effect in accordance with art. 9(1) of the amending S.I.) by The Enactment of Extra-Statutory Concessions Order 2011 (S.I. 2011/1037), arts. 1, 7(3)
- F17** S. 824(3)(a)(b) substituted (with effect in accordance with s. 92(6) of the amending Act) by Finance Act 1997 (c. 16), s. 92(2)
- F18** Words in s. 824(3)(a)(ii) inserted (1.4.2010 with effect in accordance with art. 4(3) of the amending S.I.) by The Enactment of Extra-Statutory Concessions Order 2010 (S.I. 2010/157), arts. 1, 4(1)(b)
- F19** Words in s. 824(3)(c) substituted (with effect in accordance with s. 92(6) of the amending Act) by Finance Act 1997 (c. 16), s. 92(3)
- F20** S. 824(4)(A) substituted for s. 824(4) (with effect in accordance with s. 92(6) of the amending Act) by Finance Act 1997 (c. 16), s. 92(4)
- F21** Words in s. 824(4A)(b) substituted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 331(2) (with Sch. 2)
- F22** Words in s. 824(4A)(b) inserted (with effect in accordance with s. 34(2) of the amending Act) by Finance Act 2008 (c. 9), Sch. 12 para. 15
- F23** Words in s. 824(4A)(b) substituted (with effect in accordance with Sch. 19 para. 14 of the amending Act) by Finance Act 2009 (c. 10), Sch. 19 para. 10(a)
- F24** Words in s. 824(4A) substituted (6.4.2003 with effect in accordance with s. 723(1) of the amending Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 104 (with Sch. 7)
- F25** S. 824(5) repealed (with effect in accordance with s. 199(2)(3), Sch. 19 para. 41(4) of the repealing Act) by Finance Act 1994 (c. 9), Sch. 19 para. 41(3)(a), Sch. 26 Pt. 5(23), Note 3; S.I. 1998/3173, art. 2
- F26** Words in s. 824(6) inserted (retrospectively) by Finance Act 1988 (c. 39), s. 146, Sch. 13 paras. 1, 7(f)

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- F27** Words in s. 824(6) repealed (from 18.8.1989) by Finance Act 1989 (c. 26), ss. 178(7), 187, **Sch. 17 Pt. 10**, Note; S.I. 1989/1298
- F28** S. 824(8) repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 331(3), **Sch. 3** (with Sch. 2)
- F29** Words in s. 824(9) substituted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 331(4)** (with Sch. 2)
- F30** Words in s. 824(9) repealed (with effect in accordance with s. 199(2)(3), Sch. 19 para. 41(4) of the repealing Act) by Finance Act 1994 (c. 9), Sch. 19 para. 41(3)(b), **Sch. 26 Pt. 5(23)**, Note 3; S.I. 1998/3173, **art. 2**
- F31** Words in s. 824(9) substituted (1989-90 and subsequent years) by Finance Act 1989 (c. 26), **s. 110(5)(6)-(9)**
- F32** Words in s. 824(9) inserted (6.4.2006) by Finance Act 2004 (c. 12), s. 284(1), **Sch. 35 para. 33** (as amended by The Registered Pension Schemes (Splitting of Schemes) Regulations 2006 (S.I. 2006/569), **regs. 1(1), 5(6)(7)**) (with Sch. 36)
- F33** Words in s. 824(9) substituted (1989-90 and subsequent years) by Finance Act 1989 (c. 26), **s. 111(4)(5)-(8)**
- F34** S. 824(10) repealed (with effect in accordance with s. 199(2)(3), Sch. 19 para. 41(4) of the repealing Act) by Finance Act 1994 (c. 9), Sch. 19 para. 41(3)(c), **Sch. 26 Pt. 5(23)**, Note 3; S.I. 1998/3173, **art. 2**

Modifications etc. (not altering text)

- C1** S. 824 excluded (27.7.1993 with effect for the year 1992-93 and subsequent years of assessment) by Finance Act 1993 (c. 34), ss. 173, 184(3), **Sch. 19 Pt. III para. 13(4)**
- C2** S. 824 excluded (2.1.1996) by The Lloyd's Underwriters (Gilt-edged Securities) (Periodic Accounting for Tax on Interest) Regulations 1995 (S.I. 1995/3225), **reg. 12(2)** (with reg. 13)
- C3** S. 824 excluded (27.12.2005 with effect in accordance with reg. 1(2) of the affecting S.I.) by The Lloyd's Underwriters (Tax) Regulations 2005 (S.I. 2005/3338), **regs. 1(1), 14(4)**
- C4** S. 824 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(2)(a), 5
- C5** S. 824(3) modified (22.7.2004) by Finance Act 2004 (c. 12), **s. 108**
- C6** S. 824(3) modified (1.4.2010 with effect in accordance with s. 381(1) of the modifying Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), **s. 137** (with Sch. 9)

Marginal Citations

- M1** Source—1975 (No.2) s.47(3)(a)
- M2** Source—1975 (No.2) s.47(11), (12).

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