



Finance Act 1995

1995 CHAPTER 4

PART III

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

Management: self-assessment etc.

110 Interest on overdue tax.

- (1) For section 86 of the Management Act there shall be substituted the following section—

“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 ^{M1}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
 - (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 section 93 of the ^{M2}Bills of Exchange Act 1882.

*Changes to legislation: There are currently no known outstanding effects
for the Finance Act 1995, Section 110. (See end of Document for details)*

- (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 in accordance with section 59B(3), (4) or (5) 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—
- (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.”
- (2) That section of that Act shall apply in relation to any income tax or capital gains tax which—
- (a) is charged by an assessment made on or after 6th April 1998; and
 - (b) is for the year 1995-96 or an earlier year of assessment,
- as it applies in relation to any income tax or capital gains tax which becomes due and payable in accordance with section 55 or 59B of that Act and is for the year 1996-97 or a subsequent year of assessment.
- (3) In that section of that Act as it so applies, “the relevant date” means the 31st January next following the year of assessment.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995, Section 110. (See end of Document for details)

[^{F1}(4) So far as it relates to partnerships whose trades, professions or businesses were set up and commenced before 6th April 1994, subsection (1) above has effect as respects the year 1997-98 and subsequent years of assessment.]

Textual Amendments

F1 S. 110(4) inserted (*retrospectively*) by 1996 c. 8, s. 131(1)

Marginal Citations

M1 1989 c. 26.

M2 1882 c. 61.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 1995, Section 110.