



Finance Act 2020

2020 CHAPTER 14

PART 1

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

Loan charge

18 Relief from interest on tax payable by a person subject to the loan charge

- (1) This section applies where—
 - (a) a person is chargeable to income tax on any amount by reason of Schedule 11 or 12 to F(No.2)A 2017 or would be so chargeable but for section 15 or 17 of this Act,
 - (b) before the end of September 2020 the person delivers a return under section 8 of TMA 1970 for the tax year 2018-19, and
 - (c) at the end of September 2020 the person's self-assessment included in that return is complete and accurate.
- (2) If before the end of September 2020 the person discharges their liability to income tax and capital gains tax for the tax year 2018-19—
 - (a) any amount paid in discharging that liability (other than a payment made on account of income tax for that tax year) is to be taken to not carry interest, and
 - (b) any amount paid by the person on account of their liability to income tax for the tax year 2019-20 is to be taken to not carry interest.
- (3) If before the end of September 2020 the person enters into an agreement with the Commissioners for Her Majesty's Revenue and Customs as to the discharge of their liability to income tax and capital gains tax for the tax year 2018-19—
 - (a) any amount paid before the end of September 2020 in discharging that liability (other than a payment made on account of income tax for that tax year) is to be taken to not carry interest,

*Changes to legislation: There are currently no known outstanding effects
for the Finance Act 2020, Section 18. (See end of Document for details)*

- (b) for the purposes of section 101 of FA 2009 the late payment interest start date in respect of any amount paid in accordance with the agreement after the end of September 2020 is 1 October 2020, and
 - (c) any amount paid by the person on account of their liability to income tax for the tax year 2019-20 is to be taken to not carry interest.
- (4) Paragraph (b) of subsection (2) and paragraph (c) of subsection (3) do not apply if at the end of January 2021 the person has neither discharged their liability to income tax and capital gains tax for the tax year 2019-20 nor entered into an agreement with the Commissioners for Her Majesty's Revenue and Customs as to the discharge of that liability.
- (5) The Commissioners for Her Majesty's Revenue and Customs may by regulations provide that this section applies to a specified class of persons as if—
 - (a) the references in this section to the end of September 2020 were to such later time as is specified, and
 - (b) the reference in subsection (3)(b) to 1 October 2020 were to such later date as is specified.
- (6) In subsection (5) “specified” means specified in the regulations.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 2020, Section 18.