
STATUTORY INSTRUMENTS

1998 No. 3175

The Corporation Tax (Instalment Payments) Regulations 1998

Interest on unpaid amounts of a large company's total liability for an accounting period

7.—(1) Section 87A(1) of the Management Act shall apply in relation to any unpaid amount in respect of the total liability of a large company for an accounting period, with the modifications specified in paragraphs (2) to (5).

(2) After subsection (1) there shall be inserted the following subsection—

“(1A) An amount or amounts treated as becoming due and payable in respect of the total liability of a large company for an accounting period in accordance with regulation 5 of the Corporation Tax (Instalment Payments) Regulations 1998 shall carry interest at the rate applicable under section 178 of the Finance Act 1989(2) from the date or dates specified in that regulation as the date or dates when that amount or those amounts are treated as becoming due and payable until payment.”

(3) In subsection (2)—

(a) for the words “Subsection (1) above applies” there shall be substituted “Subsections (1) and (1A) above apply”;

(b) for the words “that subsection” there shall be substituted “those subsections”.

(4) In subsection (3) there shall be added at the end the words “, and the reference in subsection (1A) above to the date or dates when an amount or amounts are treated as becoming due and payable in respect of the total liability of a large company for an accounting period is a reference to the date or dates when that amount or those amounts are treated as having become due and payable by the company”.

(5) After subsection (9) there shall be added—

“(10) In subsections (1A) and (3) above “large company” has the meaning given by regulation 3 of the Corporation Tax (Instalment Payments) Regulations 1998.”

(1) Section 87A was inserted by section 85 of the Finance (No. 2) Act 1987 (c. 51), and the inserted section was amended by paragraph 10(4) of Schedule 29 to the Income and Corporation Taxes Act 1988, section 179(1)(b) of the Finance Act 1989, paragraph 2(9) of Schedule 10 to the Taxation of Chargeable Gains Act 1992 (c. 12), paragraph 4 of Schedule 14 and paragraph 1 of Schedule 18 to the Finance Act 1993 (c. 34), paragraph 24 of Schedule 19 to the Finance Act 1994, paragraphs 8 and 9 of Schedule 24 to the Finance Act 1995, paragraph 1 of Schedule 14 to the Finance Act 1996 and paragraph 4 of Schedule 4 to the Finance Act 1998.

(2) Section 178 was amended by paragraph 44 of Schedule 19 to the Finance Act 1994.