
STATUTORY INSTRUMENTS

1998 No. 3175

The Corporation Tax (Instalment Payments) Regulations 1998

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

8.—(1) Section 826 of the Taxes Act(1) shall apply in relation to—

- (a) an amount or amounts paid by a large company in accordance with regulation 5 in respect of its total liability for an accounting period, and
- (b) an amount or amounts paid by a company that is not a large company in an accounting period in respect of its total liability for that accounting period, where the payment is made prior to the day following the expiry of nine months from the end of that accounting period,

with the modifications specified in paragraphs (2) and (3).

(2) In subsection (1)—

- (a) after paragraph (c) there shall be inserted

“or

- (d) the total amount paid by a large company (as defined in regulation 3 of the Corporation Tax (Instalment Payment) Regulations 1998) up to a point in time in respect of its total liability for an accounting period in accordance with regulation 5 of those Regulations exceeds the amount that is treated as having become due and payable by the company for that period at that time in accordance with that regulation, or

- (e) an amount paid by a company that is not a large company in an accounting period in respect of the amount of its total liability for that period is paid prior to the day following the expiry of nine months from the end of that period (“the normal due date”),”

- (b) for the words “the repayment or payment shall” there shall be substituted the words “or, in a case to which paragraph (d) above applies, until the date on which the excess amount arising as mentioned in that paragraph is extinguished or, in a case to which paragraph (e) above applies, until the normal due date, the repayment or payment or excess amount shall”.

(3) After subsection (3) there shall be inserted—

“(3A) In relation to an excess amount in respect of a company's total liability arising as mentioned in subsection (1)(d) above, the material date is the date on which the first instalment payment for the accounting period concerned is treated as becoming due as mentioned in regulation 5(3) of the Corporation Tax (Instalment Payments) Regulations 1998 or, if later, the date on which the excess amount arises.

(3B) In relation to a case falling within subsection (1)(e) above—

(1) Section 826 was amended by section 180(6) of the Finance Act 1989, paragraph 23 of Schedule 15 to the Finance Act 1991 (c. 31), paragraph 10(1) to (4) of Schedule 14 and paragraph 5 of Schedule 18 to the Finance Act 1993, paragraph 20 of Schedule 16 and paragraph 42 of Schedule 19 to the Finance Act 1994, paragraphs 11 and 12(1) and (2) of Schedule 24 to the Finance Act 1995, section 173(5) of, and paragraph 48 of Schedule 14 to, the Finance Act 1996, Part II(4) of Schedule 8 to the Finance (No. 2) Act 1997, and section 34 of, and paragraphs 1(1), (2) and 3(1) of Schedule 4 to, the Finance Act 1998.

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- (a) if the payment for the accounting period concerned was made on or before the date which, if the company had been a large company, would have been the date on which the first instalment payment for that accounting period would have been treated as becoming due as mentioned in regulation 5(3) of the Regulations referred to in subsection (3A) above, the material date is that date, or
- (b) if the payment for the accounting period concerned was made later than the date referred to in paragraph (a) above, the material date is the date on which that payment was made.”