
STATUTORY INSTRUMENTS

2005 No. 2045

The Income Tax (Construction
Industry Scheme) Regulations 2005

PART 3

PAYMENT AND RECOVERY OF AMOUNTS DEDUCTED UNDER SECTION 61

Interest on amounts overdue

14.—(1) This regulation applies if a contractor has not paid to the Commissioners for Her Majesty’s Revenue and Customs the total amount which he is liable under these Regulations to pay in respect of a tax year by the reckonable date.

(2) Any unpaid amount carries interest at the prescribed rate from the reckonable date until payment (“the interest period”).

(3) Paragraph (2) applies even if the reckonable date is a non-business day as defined by section 92 of the Bills of Exchange Act 1882(1).

(4) But paragraph (2) does not apply to any amount which the contractor does not have to pay as a result of a direction under regulation 9(5).

(5) Any change made to the prescribed rate during the interest period applies to the unpaid amount from the date of the change.

(6) The “prescribed rate” means the rate applicable under section 178 of the Finance Act 1989(2) (setting of rates of interest) for the purposes of section 86 of TMA (interest on overdue tax).

(7) The “reckonable date” means—

- (a) 17 days after the end of the tax year, if payment is made using an approved method of electronic communication, or
- (b) 14 days after the end of the tax year, in any other case.

(1) 1882 c. 61; section 92 was amended by sections 3(1) and 4(4) of the Banking and Financial Dealings Act 1971 (c. 80).
(2) 1989 c. 26, to which there are amendments not relevant to these Regulations.