

Estimation of certain amounts. ITA67 s528; FA74 s11 and Sch1 PtII 926.—(1) Where—

(a) the total income of any individual from all sources, whether chargeable with income tax by deduction or otherwise, includes income from any source or sources which is to be computed on the basis of the actual amounts receivable in the year of assessment or where any deductions allowable on account of any annual sums paid out of the property or profits of an individual are to be allowed as deductions in respect of the year in which they are payable, and

(b) an assessment to income tax is being made before the end of the year of assessment to which such assessment to tax relates,

the inspector in making the assessment shall, in computing the total amount of income assessable to income tax, estimate the amount of income from each such source or the amount of any such allowable deductions and, in making any such estimate, the inspector shall have due regard to any corresponding amount of income or allowable deductions in the year preceding the year of assessment and shall, in computing the income tax payable, estimate the amount of tax to be credited under sections 59 and 997.

(2) Where—

(a) an estimate has been made under subsection (1),

(b) notice of an appeal against the assessment to income tax has not been given, and

(c) the person assessed gives to the inspector within a period of one year from the end of the year of assessment particulars of the correct amount of the income or deductions in respect of which the estimate was made,

the inspector shall adjust the assessment by reference to the difference between the correct amount of income assessable to income tax and the amount of the assessment, and any amount of income tax overpaid shall be repaid.