

Alternative amount on account of appropriate tax. FA87 s7(1)(a) and (b), (2), (3) and (4) 259.—(1) For the purposes of this section—

(a) interest shall be treated, if not otherwise so treated, as accruing from day to day, and

(b) references to “general crediting date”, as respects a relevant deposit taker, shall be construed as references to a date on which the relevant deposit taker credits to all, or to the majority, of relevant deposits held by it on that date interest accrued due on those deposits (whether or not the interest is added to the balances on the relevant deposits on that date for the purpose of calculating interest due at some future date).

(2) Where for any year of assessment the amount of appropriate tax due and payable by a relevant deposit taker for that year under section 258 is less than the amount of appropriate tax which would have been so due and payable by the relevant deposit taker for that year if the total amount of the interest which had accrued, in the period of 12 months ending on—

(a) the general crediting date as respects that relevant deposit taker falling in that year of assessment,

(b) if there is more than one general crediting date as respects that relevant deposit taker falling in that year of assessment, the last such date, or

(c) if there is no general crediting date as respects that relevant deposit taker falling in that year of assessment, the 5th day of April in that year,

on all relevant deposits held by the relevant deposit taker in that period (and no more) had been paid by it in that period, this section shall apply to that relevant deposit taker for the year of assessment succeeding that year of assessment and for each subsequent year of assessment.

(3) Notwithstanding anything in section 258, where this section applies to a relevant deposit taker for any year of assessment, section 258 (4) shall not apply to the relevant deposit taker for that year of assessment but subsection (4) shall apply to that relevant deposit taker for that year and, as respects that relevant deposit taker for that year, any reference in the Tax Acts (apart from this section) to section 258 (4) shall be construed as a reference to subsection (4).

(4) (a) Notwithstanding section 258 (3), a relevant deposit taker shall for each year of assessment pay to the Collector-General, within 15 days of the 5th day of October in that year of assessment, an amount on account of appropriate tax which shall be not less than the amount determined by the formula set out in the Table to this paragraph, and any amount on account of appropriate tax so paid by the relevant deposit taker for a year of assessment shall be treated as far as may be as a payment on account of any appropriate tax due and payable by it for that year of assessment under section 258 (3).

TABLE

$A - (B - C)$

where—

A is the amount of appropriate tax which would be due and payable by the relevant deposit taker for the year of assessment (in this Table referred to as “the relevant year”) in accordance with section 258 (3) if the total amount of the relevant interest which had accrued in the period of 12 months ending on the 5th day of October in the relevant year on all relevant deposits held by the relevant deposit taker in that period (and no more) had been paid by it in the relevant year,

B is the amount of appropriate tax which was due and payable by the relevant deposit taker for the year of assessment preceding the relevant year in accordance with section 258 (3), and

C is an amount equal to the lesser of the amount at B and the amount treated, in accordance with this subsection or section 258 (4), as paid by the relevant deposit taker on account of the appropriate tax due and payable by it for the year of assessment preceding the relevant year.

(b) Where the amount on account of appropriate tax paid by a relevant deposit taker for any year of assessment under this subsection exceeds the amount of appropriate tax due and payable by it for that year of assessment under section 258 (3), the excess shall be carried forward and shall be set off against any amount due and payable under this subsection or section 258 (3) by the relevant deposit taker for any subsequent year of assessment (any such set-off being effected as far as may be against an amount so due and payable at an earlier date rather than at a later date).