HMRC - CTM95370 - CTSA: Of Dates Payable

FA98/SCH18/PARA38 (2) provides that a Revenue determination under FA98/SCH18/PARA36 or 37 may be accompanied by a notice determining the dates on which amounts of tax become due and payable under TMA70/S59D or 59E.

The Corporation Tax (Instalment Payments) Regulations 1998 (SI1998/1975) identify the companies that are required to make quarterly instalment payments - see CTM92500 onwards. They do not refer to, or contain, any procedural rules for determining the company’s status in the absence of a return.

Also, COTAX does not have a free standing facility to issue a Paragraph 38 (2) determination that tax is payable in instalments.

You will normally establish liability (or not) to make quarterly instalment payments from the company tax return. However, in some cases you may need to determine that the tax charged by a Revenue determination should have been paid in quarterly instalments.

This will be so if:

The profits you are charging in the Revenue determination exceed the unrestricted upper relevant maximum amount.

The tax liability is above £5,000. For accounting periods ending on or after 1 July 2000 this is increased to £10,000. (Both these limits are proportionately reduced if the accounting period is less than 12 months.)

and

It is clear that the company cannot benefit from the special case provisions - see CTM92530.

You may also decide to do so in some cases in which:

a company with smaller than upper relevant maximum amount profits is known or believed to have a large number of associated companies and/or a significant amount of Franked Investment Income.

Similarly, if a company was a quarterly instalment payer in the previous accounting period you should consider making a determination under Paragraph 38 (2).

For guidance on how to make the determination see the On-line Company Tax Manual (COM) under ‘Revenue determinations’ in the ‘Assessing’ business area.

Note: Any determination under Paragraph 38 (2) is displaced when a company submits a company tax return containing information that shows that the quarterly instalmentprovisions do not apply.

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