HMRC - IPT09105 - Assessments: Legal Provisions

An assessment may be required to correct an underpayment or overpayment of IPT, or errors in the treatment of credits (either overclaims or underclaims). Our powers to assess are dealt with in section 56 of the Finance Act 1994.

Section 56(1) states:

(a) a person has failed to make any returns required to be made under this Part,

(b) a person has failed to keep any documents necessary to verify returns required to be made under this Part,

(c) a person has failed to afford the facilities necessary to verify returns required to be made under this Part, or

(d) it appears to the Commissioners that returns required to be made by a person under this part are incomplete or incorrect,

Section 56(2) states:

Section 56(3) states:

Where a person is assessed under subsections (1) and (2) above in respect of the same accounting period the assessments may be combined and notified to him as one assessment.

Subsection (4) extends our powers to assess to cover all those people who might be required to make a return on another person’s behalf. It covers personal representatives, trustees in bankruptcy or sequestration, receivers, liquidators or other representatives.

Taken together these provisions give us powers to assess:

There are two types of assessments which might be made against an insurer: central assessments and officer’s assessments. In addition, liability notices can be issued to the insured.

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