HMRC - IPT09110 - Assessments: Definition Of Underdeclaration And Overdeclaration

For the sake of clarity the terms used in this part of the guidance are defined here.

Underdeclaration means that the insurer has declared too little tax payable to the Department. This incorrect declaration may be from a return and/or voluntary disclosures.

Overdeclaration means that the insurer has declared too much tax payable to the Department. Again, this incorrect declaration may be from a return and/or voluntary disclosures.

In any single period, a net underdeclaration or overdeclaration is the net amount of all errors that you have discovered in that period.

Underpayment and overpayment. An underpayment means that the amount declared on a return or voluntary disclosure, or an amount assessed has not been paid in full. An overpayment means that the amount paid exceeds the amount declared or assessed.

Tax declared and tax paid. When making an assessment, you have to make a distinction between tax declared and tax paid. It would be incorrect for you, having made an assessment of the net tax under or overdeclared, to add or subtract from the assessment because declared or previously assessed amounts have not yet been paid to (or repaid by) the Department.

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