HMRC - OT04270 - Payment Provisions - Interest

Interest on Late Payment of Tax

Interest is charged at the rate specified by Treasury order under FA89\S178.

Underpaid Tax on An Assessment or Payment on Account, OTA75/SCH2/PARA15

Tax charged in an assessment to PRT, including tax paid on account, carries interest from two months after the end of the chargeable period (OTA75\SCH2\PARA15).

Overpaid Tax On An Assessment Or Payment On Account, OTA75\SCH2\PARA16

OTA75\Sch2\Para16 provides that, subject to the cap in OTA75\SCH2\PARA17, where an amount that is assessed to tax or paid on account becomes repayable that amount shall carry interest. Except where Paragraph 17 applies interest is paid from the later of two months after the end of the chargeable period and the date the tax was paid.

Underpaid Instalments, FA82\SCH19\PARA10(2)

An instalment of tax payable by a participator in respect of a chargeable period that is not paid in the month that it ought to be paid carries interest from the end of that month until the earlier of

payment of the amount, or

two months after the end of the chargeable period (FA82\Sch19\Para10(2))

Overpaid Instalments, FA82\SCH19\PARA10(4)

An instalment payment that becomes repayable carries interest from two months after the end of the chargeable period to which it relates or date of payment if later.

APRT

APRT ceased to be collected in 1986. Very occasionally it may still be repaid. Interest is not due on any repaid APRT which was correctly paid at the time. Where the legislation refers to interest in relation to APRT it is referring to amounts calculated as overpaid by reference to assumptions within FA82\S139(2).

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