HMRC - OT04785 - PRT: Administration - Relief For Overpaid Tax

With effect from 1 April 2011 F(No.3)A 2010\ S28 and Sch12 of introduce new paragraphs 13A to 13F to Schedule 2 Oil Taxation Act 1975. The changes take effect from 1 April 2011 and replace the “error or mistake” provisions of TMA70\S33.

As PRT is not a self-assessed tax HMRC must make a decision on a claim to overpayment relief. Under the new rules, HMRC are not required to determine whether the amount of relief is reasonable and just, but merely whether the participator has overpaid or been over-assessed by the amount claimed. This is to be contrasted with the previous rules within TMA1970\S33.

HMRC is not liable to provide overpayment relief in respect of elections, notices and other claims. For PRT this means that paras 13B(2) and (3) exclude overpayment relief for, among others, mistakes concerning nominations under FA1987\Sch10 and claims to expenditure allowed under S3 or S4 OTA 1975.

Para 13B(3) will, in particular, mean that overpayment relief does not provide a means of obtaining relief for expenditure.

Guidance on the administration of claims for expenditure set out in the Oil Taxation Manual at OT04390 to OT04795 is therefore unaffected.

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