

# TAX COLLECTION AND MANAGEMENT (WALES) ACT 2016

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## EXPLANATORY NOTES

### COMMENTARY ON SECTIONS

#### **Part 3 – Tax Returns, Enquiries and Assessments**

##### *Sections 54-61 – WRA assessments*

57. **Section 54** allows the WRA to make an assessment of devolved tax chargeable where it is of the opinion there is a need to make good a loss of tax where an amount that should have been assessed has not been, an amount assessed is less than it should have been, or relief that has been given is or has become excessive.
58. **Section 55** provides for an assessment to be made by the WRA to recover an excessive repayment of tax, including any interest that may have been paid.
59. **Sections 56 and 57** provides that references to “WRA Assessment” are to mean assessments made under sections 54 or 55 and references to the taxpayer under sections 58 to 61 are to mean the person chargeable to the devolved tax and, in relation to an assessment to recover excessive repayment of tax, mean the person to whom the excessive repayment of tax was made.
60. **Section 58** limits the circumstances in which a WRA assessment can be made to two types of situation. Firstly, those situations which arise because of careless or deliberate behaviour by the taxpayer (defined at section 60), a person acting on behalf of the taxpayer or a person who was in a partnership (defined at section 192) with the taxpayer at the relevant time. Secondly, an assessment can be made in circumstances where the WRA is not entitled to conduct an enquiry into a tax return (generally because the time limit for doing so has expired) or WRA did conduct an enquiry and at the time the enquiry ended (or WRA’s right to conduct one expired) it would not have been reasonable to expect WRA to have known the information that they now consider might lead to a loss of tax or excessive repayment of tax within the enquiry window. Sub-section (4) prohibits the WRA making an assessment under these provisions if the situation was attributable to a mistake in the calculation of the tax liability that was in accordance with generally prevailing practice at the time the return was made.
61. **Section 59** provides the time limits for the WRA assessments. The general time limit is 4 years after the filing date or, if later, after the date the tax return was made. This time limit is extended to 6 years where the loss of tax is attributable to carelessness by the taxpayer or a related person, or 20 years where the loss of tax has been brought about deliberately by the taxpayer or a related person. A WRA assessment to recover excessive repayment of tax is not late if it is made within 12 months of that repayment (even in cases where it would otherwise have been outside the 4, 6 or 20 year time limit). If a taxpayer has died, a WRA assessment must be made on a taxpayer’s personal representatives within four years of death and only if the relevant date was no earlier than six years before the death. The section also makes it clear that any objection to a

*These notes refer to the Tax Collection and Management (Wales)  
Act 2016 (c.6) which received Royal Assent on 25 April 2016*

WRA assessment on the basis of the time limits has to be done by way of review or appeal against the assessment under Part 8.

62. [Section 61](#) requires the WRA to issue a notice of an assessment to the taxpayer. The taxpayer is required to pay the amount assessed within 30 days of the issue of the notice.