



Tax Collection and Management (Wales) Act 2016

2016 anaw 6

PART 5

PENALTIES

CHAPTER 2

PENALTIES FOR FAILURE TO MAKE RETURNS OR PAY TAX [^{F1}OR AMOUNTS PAYABLE IN RESPECT OF TAX CREDITS]

Penalty for failure to pay tax

[^{F1}122 Penalty for failure to pay tax on time

(1) A person is liable to a penalty if the person has failed to pay an amount of devolved tax on or before the penalty date in respect of that amount.

[^{F2}(2) The penalty—

- (a) in respect of an amount of land transaction tax, is 5% of the amount of unpaid tax;
- (b) in respect of an amount of landfill disposals tax, is 1% of the amount of unpaid tax.]

[^{F3}(2A) But see section 122ZA for an exception to the rule in subsection (1).]

(3) In this section and in [^{F4}sections 122ZA and 122A], the penalty date in respect of an amount of devolved tax specified in column 3 of Table A1 is the date specified in column 4.

Changes to legislation: There are currently no known outstanding effects for the Tax Collection and Management (Wales) Act 2016, Cross Heading: Penalty for failure to pay tax. (See end of Document for details)

TABLE A1

| Item | Devolved Tax | Amount of Tax | Penalty date |
|------|------------------------|---|--|
| 1 | Land transaction tax | Amount (or additional amount) payable as a result of a tax return made by the buyer in a land transaction (unless the amount falls within item 8 or 9). | The date falling 30 days after the filing date for the return. |
| 2 | Landfill disposals tax | Amount [^{F5} payable as a result of] a tax return. | The date falling 30 days after the filing date for the return. |
| 3 | Any devolved tax | Amount payable as a result of a WRA determination made in place of a tax return. | The date falling 30 days after the date by which WRA believes the tax return was required to be made. |
| 4 | Any devolved tax | Amount payable as a result of a WRA assessment made in place of a tax return (unless the amount falls within item 7). | The date falling 30 days after the date by which WRA believes the tax return was required to be made. |
| 5 | Any devolved tax | Amount (or additional amount) payable as a result of a WRA assessment made where a tax return has been made. | The date falling 30 days after the date by which the amount (or additional amount) is required to be paid. |
| 6 | Any devolved tax | Amount (or additional amount) payable as a result of an amendment or a correction to a tax return. | The date falling 30 days after the date by which the amount (or additional amount) is required to be paid. |
| 7 | Any devolved tax | Amount (or additional amount) payable as a result of a WRA assessment made for the purposes | The date falling 30 days after the date by which the amount (or additional amount) |

Changes to legislation: There are currently no known outstanding effects for the Tax Collection and Management (Wales) Act 2016, Cross Heading: Penalty for failure to pay tax. (See end of Document for details)

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|----|------------------------|---|---|
| | | of making an adjustment to counteract a tax advantage (see Part 3A) in a case where a tax return which WRA has reason to believe was required to be made has not in fact been made. | is required to be paid. |
| 8 | Land transaction tax | Where a deferral request is made under section 58 of LTTA, a deferred amount required to be paid by virtue of section 61(1) of that Act. | The date falling 30 days after the date by which the deferred amount is required to be paid. |
| 9 | Land transaction tax | Where a deferral request is made under section 58 of LTTA, a refused amount within the meaning of section 61(2)(a) of that Act. | The date falling 30 days after the date by which the refused amount is required to be paid. |
| 10 | Landfill disposals tax | Amount charged by a charging notice issued under section 48 or 49 of LDTA. | The date falling 30 days after the date by which the amount is required to be paid. |
| 11 | Any devolved tax | A postponed amount within the meaning of section 181G(2). | The date falling 30 days after the date on which the postponement period ends (see section 181G as to the calculation of postponement periods). |

(4) In this section, ““deferred amount”” has the same meaning as in section 58(6)(a) of LTTA.

(5) The Welsh Ministers may by regulations modify Table A1.]

Textual Amendments

F1 Ss. 122, 122A substituted for s. 122 (1.4.2018) by [Land Transaction Tax and Anti-avoidance of Devolved Taxes \(Wales\) Act 2017 \(anaw 1\)](#), s. 81(2)(3), **Sch. 23 para. 42**; S.I. 2018/34, art. 3

Changes to legislation: There are currently no known outstanding effects for the Tax Collection and Management (Wales) Act 2016, Cross Heading: Penalty for failure to pay tax. (See end of Document for details)

- F2** S. 122(2) substituted (1.4.2018) by Landfill Disposals Tax (Wales) Act 2017 (anaw 3), **ss. 75, 97(2)**; S.I. 2018/35, art. 3
- F3** S. 122(2A) inserted (1.4.2018) by Landfill Disposals Tax (Wales) Act 2017 (anaw 3), s. 97(2), **Sch. 4 para. 11(a)**; S.I. 2018/35, art. 3
- F4** Words in s. 122(3) substituted (1.4.2018) by Landfill Disposals Tax (Wales) Act 2017 (anaw 3), s. 97(2), **Sch. 4 para. 11(b)**; S.I. 2018/35, art. 3
- F5** Words in s. 122 Table A1 substituted (1.4.2018) by The Landfill Disposals Tax (Administration) (Wales) Regulations 2018 (S.I. 2018/101), reg. 1(2), **Sch. para. 24**

[^{F6}122ZA] **Penalty for multiple failures to pay landfill disposals tax on time**

- (1) Where a person becomes liable to a penalty under section 122 in respect of a failure to pay an amount of landfill disposals tax on or before the penalty date, a penalty period—
 - (a) begins with the day after the penalty date, and
 - (b) ends 12 months later, unless extended under subsection (2)(b).
- (2) If, before the end of the penalty period, the person fails to pay another amount of landfill disposals tax (“amount B”) on or before the penalty date for that amount—
 - (a) the person is not liable to a penalty under section 122(1) in respect of that failure but is liable to a penalty under this section instead, and
 - (b) the penalty period is extended so that it ends 12 months after the penalty date for amount B.
- (3) The amount of the penalty to which a person is liable under this section is determined by reference to—
 - (a) amount B, and
 - (b) the number of times during the penalty period on which the person has failed to pay an amount of landfill disposals tax on or before the penalty date for that amount.
- (4) If the failure is the person's first failure during the penalty period, the person is liable to a penalty of 2% of amount B in respect of that failure.
- (5) If the failure is the person's second failure during the penalty period, the person is liable to a penalty of 3% of amount B in respect of that failure.
- (6) If the failure is the person's third or subsequent failure during the penalty period, the person is liable to a penalty of 4% of amount B in respect of that failure.
- (7) A penalty period may be extended more than once under subsection (2)(b).]

Textual Amendments

- F6** S. 122ZA inserted (1.4.2018) by Landfill Disposals Tax (Wales) Act 2017 (anaw 3), **ss. 76, 97(2)**; S.I. 2018/35, art. 3

[^{F1}122A] **Further penalties for continuing failure to pay devolved tax**

- (1) This section applies where a person is liable to a penalty under section 122 [^{F7}or 122ZA] in respect of a failure to pay an amount of devolved tax on or before the penalty date for that amount.

Changes to legislation: There are currently no known outstanding effects for the Tax Collection and Management (Wales) Act 2016, Cross Heading: Penalty for failure to pay tax. (See end of Document for details)

- (2) If any of the amount remains unpaid after the end of the period of 6 months beginning with the day falling 30 days before the penalty date, the person is liable to a further penalty.
- (3) The further penalty is 5% of the amount that remains unpaid.
- (4) If any of the amount remains unpaid after the end of the period of 12 months beginning with the day falling 30 days before the penalty date, the person is liable to a second further penalty.
- (5) The second further penalty is 5% of the amount that remains unpaid.]

Textual Amendments

- F1** Ss. 122, 122A substituted for s. 122 (1.4.2018) by [Land Transaction Tax and Anti-avoidance of Devolved Taxes \(Wales\) Act 2017 \(anaw 1\)](#), s. 81(2)(3), **Sch. 23 para. 42**; S.I. 2018/34, art. 3
- F7** Words in s. 122A(1) inserted (1.4.2018) by [Landfill Disposals Tax \(Wales\) Act 2017 \(anaw 3\)](#), s. 97(2), **Sch. 4 para. 12**; S.I. 2018/35, art. 3

^{F8}123 Suspension of penalty for failure to pay tax during currency of agreement for deferred payment

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Textual Amendments

- F8** S. 123 omitted (1.4.2018) by virtue of [Land Transaction Tax and Anti-avoidance of Devolved Taxes \(Wales\) Act 2017 \(anaw 1\)](#), s. 81(2)(3), **Sch. 23 para. 43**; S.I. 2018/34, art. 3

Changes to legislation:

There are currently no known outstanding effects for the Tax Collection and Management (Wales) Act 2016, Cross Heading: Penalty for failure to pay tax.