



# Tax Collection and Management (Wales) Act 2016

2016 anaw 6

## PART 5

### PENALTIES

#### CHAPTER 3

##### PENALTIES FOR INACCURACIES

###### *Potential lost revenue*

### **136 Potential lost revenue: multiple errors**

- (1) Where a person is liable to a penalty under section 129 in respect of more than one inaccuracy, and the calculation of potential lost revenue under section 135 in respect of each inaccuracy depends on the order in which they are corrected, careless inaccuracies are to be taken to be corrected before deliberate inaccuracies.
- (2) In calculating potential lost revenue where a person is liable to a penalty under section 129 in respect of one or more understatements in one or more documents relating to a tax period [<sup>F1</sup>, transaction or claim for tax credit], account must be taken of any overstatements in any document given by the person which relate to the same tax period [<sup>F2</sup>, transaction or claim for tax credit].
- (3) In subsection (2)—
  - (a) “understatement” means an inaccuracy that meets condition 1 in section 129, and
  - (b) “overstatement” means an inaccuracy that does not meet that condition.
- (4) For the purposes of subsection (2) overstatements are to be set against understatements in the following order—

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**Changes to legislation:** There are currently no known outstanding effects for the Tax Collection and Management (Wales) Act 2016, Section 136. (See end of Document for details)

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- (a) understatements in respect of which the person is not liable to a penalty,
  - (b) careless understatements, and
  - (c) deliberate understatements.
- (5) In calculating, for the purposes of a penalty under section 129, potential lost revenue in respect of a document given by or on behalf of a person, no account is to be taken of the fact that a potential loss of revenue from a person is or may be balanced by a potential overpayment by another person (except to the extent that an enactment requires a person's liability to a devolved tax to be adjusted by reference to another person's liability to a devolved tax).

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#### **Textual Amendments**

- F1** Words in s. 136(2) substituted (1.4.2018) by virtue of [The Landfill Disposals Tax \(Administration\) \(Wales\) Regulations 2018 \(S.I. 2018/101\)](#), reg. 1(2), **Sch. para. 33(a)**
- F2** Words in s. 136(2) substituted (1.4.2018) by virtue of [The Landfill Disposals Tax \(Administration\) \(Wales\) Regulations 2018 \(S.I. 2018/101\)](#), reg. 1(2), **Sch. para. 33(b)**

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#### **Commencement Information**

- I1** S. 136 in force at 1.4.2018 by [S.I. 2018/33](#), **art. 3**

**Changes to legislation:**

There are currently no known outstanding effects for the Tax Collection and Management (Wales) Act 2016, Section 136.