

## SCHEDULES

### SCHEDULE 12

Section 28

#### RECOVERY OF OVERPAID TAX ETC

#### PART 1

##### STAMP DUTY LAND TAX

1 Part 4 of FA 2003 (stamp duty land tax) is amended as follows.

##### *New provisions relating to overpaid tax*

2 In Schedule 10 (returns, enquiries, assessments and appeals), for paragraph 34 and the italic heading preceding it substitute—

##### *“Claim for relief for overpaid tax etc*

- 34 (1) This paragraph applies where—
- (a) a person has paid an amount by way of tax but believes that the tax was not due, or
  - (b) a person has been assessed as liable to pay an amount by way of tax, or there has been a determination to that effect, but the person believes that the tax is not due.
- (2) The person may make a claim to the Commissioners for Her Majesty’s Revenue and Customs for repayment or discharge of the amount.
- (3) Paragraph 34A makes provision about cases in which the Commissioners for Her Majesty’s Revenue and Customs are not liable to give effect to a claim under this paragraph.
- (4) The following make further provision about making and giving effect to claims under this paragraph—
- (a) paragraphs 34B to 34D, and
  - (b) Schedule 11A.
- (5) Paragraph 34E makes provision about the application of this paragraph and paragraphs 34A to 34D to amounts paid under contract settlements.
- (6) The Commissioners for Her Majesty’s Revenue and Customs are not liable to give relief in respect of a case described in sub-paragraph (1) (a) or (b) except as provided—
- (a) by this Schedule and Schedule 11A (following a claim under this paragraph), or
  - (b) by or under another provision of this Part of this Act.

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- (7) For the purposes of this paragraph and paragraphs 34A to 34E, an amount paid by one person on behalf of another is treated as paid by the other person.

*Cases in which Commissioners not liable to give effect to a claim*

- 34A (1) The Commissioners for Her Majesty's Revenue and Customs are not liable to give effect to a claim under paragraph 34 if or to the extent that the claim falls within a case described in this paragraph.
- (2) Case A is where the amount paid, or liable to be paid, is excessive by reason of—
- (a) a mistake in a claim or election, or
  - (b) a mistake consisting of making or giving, or failing to make or give, a claim or election.
- (3) Case B is where the claimant is or will be able to seek relief by taking other steps under this Part of this Act.
- (4) Case C is where the claimant—
- (a) could have sought relief by taking such steps within a period that has now expired, and
  - (b) knew, or ought reasonably to have known, before the end of that period that such relief was available.
- (5) Case D is where the claim is made on grounds that—
- (a) have been put to a court or tribunal in the course of an appeal by the claimant relating to the amount paid or liable to be paid, or
  - (b) have been put to Her Majesty's Revenue and Customs in the course of an appeal by the claimant relating to that amount that is treated as having been determined by a tribunal (by virtue of paragraph 37 (settling of appeals by agreement)).
- (6) Case E is where the claimant knew, or ought reasonably to have known, of the grounds for the claim before the latest of the following—
- (a) the date on which an appeal by the claimant relating to the amount paid, or liable to be paid, in the course of which the ground could have been put forward (a "relevant appeal") was determined by a court or tribunal (or is treated as having been so determined),
  - (b) the date on which the claimant withdrew a relevant appeal to a court or tribunal, and
  - (c) the end of the period in which the claimant was entitled to make a relevant appeal to a court or tribunal.
- (7) Case F is where the amount in question was paid or is liable to be paid—
- (a) in consequence of proceedings enforcing the payment of that amount brought against the claimant by Her Majesty's Revenue and Customs, or
  - (b) in accordance with an agreement between the claimant and Her Majesty's Revenue and Customs settling such proceedings.
- (8) Case G is where—

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- (a) the amount paid, or liable to be paid, is excessive by reason of a mistake in calculating the claimant's liability to tax, and
- (b) liability was calculated in accordance with the practice generally prevailing at the time.

*Making a claim*

- 34B (1) A claim under paragraph 34 may not be made more than 4 years after the effective date of the transaction.
- (2) A claim under paragraph 34 may not be made by being included in a land transaction return.

*The claimant: partnerships*

- 34C (1) This paragraph applies where an amount is paid, or is liable to be paid, in respect of a land transaction entered into as purchaser by or on behalf of the members of a partnership (within the meaning of Schedule 15).
- (2) Paragraphs 6 and 8 of Schedule 15 do not apply to a claim under paragraph 34 in respect of the amount.
- (3) A claim under paragraph 34 in respect of the amount—
- (a) may be made by a relevant person who has been nominated to make the claim by all of the relevant persons, and
  - (b) may not be made by any other person.
- (4) In relation to such a claim, references in paragraph 34A to the claimant are to any of the relevant persons.
- (5) The relevant persons are—
- (a) any person who was a partner in the partnership at the effective date of the transaction, and
  - (b) the personal representative of such a person.

*Assessment of claimant in connection with claim*

- 34D (1) This paragraph applies where—
- (a) a claim is made under paragraph 34,
  - (b) the grounds for giving effect to the claim also provide grounds for a discovery assessment on the claimant in respect of any land transaction, and
  - (c) such an assessment could be made but for a relevant restriction.
- (2) The reference to the claimant in subsection (1)(b) includes—
- (a) in relation to a claim for an amount paid or liable to be paid in respect of a land transaction entered into as purchaser by or on behalf of the members of a partnership (within the meaning of Schedule 15), a responsible partner within the meaning of paragraph 6(2) of Schedule 15;
  - (b) in relation to a claim for an amount paid or liable to be paid in respect of a land transaction entered into by trustees of a

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settlement (within the meaning of Schedule 16), a responsible trustee within the meaning of paragraph 5(3) of Schedule 16.

- (3) The following are relevant restrictions—
  - (a) the restrictions in paragraph 30, and
  - (b) the expiry of a time limit for making a discovery assessment.
- (4) Where this paragraph applies—
  - (a) the relevant restrictions are to be disregarded, and
  - (b) the discovery assessment is not out of time if it is made before the final determination of the claim.
- (5) A claim is not finally determined until it, or the amount to which it relates, can no longer be varied (whether on appeal or otherwise).

#### *Contract settlements*

- 34E
- (1) In paragraph 34(1)(a) the reference to an amount paid by a person by way of tax includes an amount paid by a person under a contract settlement in connection with tax believed to be due.
  - (2) Sub-paragraphs (3) to (6) apply if the person who paid the amount under the contract settlement (“the payer”) and the person from whom the tax was due (“the taxpayer”) are not the same person.
  - (3) In relation to a claim under paragraph 34 in respect of that amount—
    - (a) the references to the claimant in paragraph 34A(5) to (7) (Cases D, E and F) have effect as if they included the taxpayer,
    - (b) the reference to the claimant in paragraph 34A(8) (Case G) has effect as if it were a reference to the taxpayer,
    - (c) the reference to the claimant in paragraph 34D(1)(b) has effect as if it were a reference to the taxpayer, and
    - (d) references to tax in Schedule 11A (as it applies to a claim under paragraph 34) include such an amount.
  - (4) Sub-paragraph (5) applies where the grounds for giving effect to a claim by the payer in respect of the amount also provide grounds for a discovery assessment on the taxpayer in respect of any land transaction.
  - (5) The Commissioners for Her Majesty’s Revenue and Customs may set any amount repayable to the payer by virtue of the claim against any amount payable by the taxpayer by virtue of the assessment.
  - (6) The obligations of the Commissioners for Her Majesty’s Revenue and Customs and the taxpayer are discharged to the extent of any set-off under sub-paragraph (5).
  - (7) “Contract settlement” means an agreement made in connection with any person’s liability to make a payment to the Commissioners for Her Majesty’s Revenue and Customs under or by virtue of an enactment.”

*Consequential amendments*

- 3 In section 113 (functions conferred on “the Inland Revenue”), omit subsection (3) (b)(ii).
- 4 (1) Schedule 10 (returns, enquiries, assessments and appeals) is amended as follows.
- (2) In the heading at the beginning of Part 6, after “RELIEF IN THE CASE OF” insert “OVERPAID TAX OR”.
- (3) In paragraph 45(1) (determination of market value by relevant tribunal), for “paragraphs 34(6) or” substitute “paragraph”.
- 5 In Schedule 11A (claims not included in returns etc), in paragraph 14(5) (application of provisions of Schedule 10)—
- (a) for “and 44” substitute “, 44 and 45”, and
- (b) omit “(settling of appeals by agreement)”.

**PART 2**

PETROLEUM REVENUE TAX

*Claims for recovery of overpaid tax etc*

- 6 Schedule 2 to OTA 1975 (management and collection of petroleum revenue tax) is amended as follows.
- 7 In the Table in paragraph 1(1) (applying provisions of TMA 1970 in relation to management and collection of petroleum revenue tax), omit the entry relating to section 33 of TMA 1970.
- 8 In paragraph 10(1A) (time limit for assessments and determinations) for “and 12B” substitute “, 12B and 13E”.
- 9 In paragraph 12(1B) (disapplication of time limits for further assessments and determinations)—
- (a) omit the “or” at the end of paragraph (a), and
- (b) after that paragraph insert—
- “(aa) a claim under paragraph 13A (see paragraph 13E), or”.
- 10 After paragraph 13 insert—

*“Claim for relief for overpaid tax etc*

- 13A (1) This paragraph applies where—
- (a) a participator has paid an amount by way of tax but believes that the tax was not due, or
- (b) a participator has been assessed as liable to pay an amount by way of tax but believes that the tax is not due.
- (2) The participator may make a claim to the Commissioners for Her Majesty’s Revenue and Customs (“HMRC”) for repayment or discharge of the amount.

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- (3) Paragraph 13B makes provision about cases in which HMRC are not liable to give effect to a claim under this paragraph.
- (4) Paragraphs 13C to 14I make further provision about making and giving effect to claims under this paragraph.
- (5) Paragraph 13F makes provision about the application of this paragraph and paragraphs 13B to 13E to amounts paid under contract settlements.
- (6) HMRC are not liable to give relief in respect of a case described in subparagraph (1)(a) or (b) except as provided—
  - (a) by this Schedule (following a claim under this paragraph), or
  - (b) by or under another provision of the Oil Taxation Acts.
- (7) For the purposes of this paragraph and paragraphs 13B to 13F, an amount paid by one person on behalf of another is treated as paid by the other person.
- (8) In this paragraph and paragraphs 13B to 13F, “the Oil Taxation Acts” means—
  - (a) Parts 1 and 3 of this Act,
  - (b) the Oil Taxation Act 1983, and
  - (c) any other enactment relating to petroleum revenue tax.

*Cases in which HMRC not liable to give effect to a claim*

- 13B
- (1) HMRC are not liable to give effect to a claim under paragraph 13A if or to the extent that the claim falls within a case described in this paragraph.
  - (2) Case A is where the amount paid, or liable to be paid, is excessive by reason of—
    - (a) a mistake in a claim, election or notice or a nomination under Schedule 10 to FA 1987, or
    - (b) a mistake consisting of making or giving, or failing to make or give, a claim, election or notice or a nomination under Schedule 10 to FA 1987.
  - (3) Case B is where the participator—
    - (a) has or could have sought relief by making a claim for expenditure to be allowed under section 3 or 4 (allowance of expenditure), or
    - (b) is or will be able to seek relief by taking other steps under the Oil Taxation Acts.
  - (4) Case C is where the participator—
    - (a) could have sought relief by taking such steps within a period that has now expired, and
    - (b) knew, or ought reasonably to have known, before the end of that period that such relief was available.
  - (5) Case D is where the claim is made on grounds that—

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- (a) have been put to a court or tribunal in the course of an appeal by the participator relating to the amount paid or liable to be paid, or
  - (b) have been put to HMRC in the course of an appeal by the participator relating to that amount that is treated as having been determined by a tribunal (by virtue of paragraph 14(9) (settling of appeals by agreement)).
- (6) Case E is where the participator knew, or ought reasonably to have known, of the grounds for the claim before the latest of the following—
- (a) the date on which an appeal by the participator relating to the amount paid, or liable to be paid, in the course of which the ground could have been put forward (a “relevant appeal”) was determined by a court or tribunal (or is treated as having been so determined),
  - (b) the date on which the participator withdrew a relevant appeal to a court or tribunal, and
  - (c) the end of the period in which the participator was entitled to make a relevant appeal to a court or tribunal.
- (7) Case F is where the amount in question was paid or is liable to be paid—
- (a) in consequence of proceedings enforcing the payment of that amount brought against the participator by HMRC, or
  - (b) in accordance with an agreement between the participator and HMRC settling such proceedings.
- (8) Case G is where—
- (a) the amount paid, or liable to be paid, is excessive by reason of a mistake in calculating the participator’s liability to tax, and
  - (b) liability was calculated in accordance with the practice generally prevailing at the time.

### *Making a claim*

- 13C (1) A claim under paragraph 13A may not be made more than 4 years after the end of the relevant chargeable period.
- (2) In relation to a claim made in reliance on paragraph 13A(1)(a), the relevant chargeable period is—
- (a) where the amount paid, or liable to be paid, is excessive by reason of a mistake in a return or returns under paragraph 2 or 5, the chargeable period to which the return (or, if more than one, the first return) relates, and
  - (b) otherwise, the chargeable period in respect of which the amount was paid.
- (3) In relation to a claim made in reliance on paragraph 13A(1)(b), the relevant chargeable period is the chargeable period to which the assessment relates.
- (4) A claim under paragraph 13A must be in such form as the HMRC may prescribe.

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*Decision on claim*

- 13D HMRC must—
- (a) make a decision on the claim, and
  - (b) by notice inform the participator of their decision.

*Assessment of claimant in connection with claim*

- 13E (1) This paragraph applies where—
- (a) a claim is made under paragraph 13A,
  - (b) the grounds for giving effect to the claim also provide grounds for making an assessment or determination under paragraph 10 or 12, or an amendment of such an assessment or determination, on the participator in respect of any accounting period, and
  - (c) such an assessment, determination or amendment could be made but for the expiry of a time limit in paragraph 10(1A), 12(1A), 12A or 12B.
- (2) Where this paragraph applies—
- (a) the time limit does not apply, and
  - (b) the assessment, determination or amendment is not out of time if it is made before the final determination of the claim.
- (3) A claim is not finally determined until it, or the amount to which it relates, can no longer be varied (whether on appeal or otherwise).

*Contract settlements*

- 13F (1) In paragraph 13A(1)(a) the reference to an amount paid by a participator by way of tax includes an amount paid by a person under a contract settlement in connection with tax believed to be due.
- (2) Sub-paragraphs (3) to (6) apply if the person who paid the amount under the contract settlement (“the payer”) and the person from whom the tax was due (“the taxpayer”) are not the same person.
- (3) In relation to a claim under paragraph 13A in respect of that amount—
- (a) the references to the participator in paragraph 13B(5) to (7) (Cases D, E and F) have effect as if they included the taxpayer,
  - (b) the reference to the participator in paragraph 13B(8) (Case G) has effect as if it were a reference to the taxpayer, and
  - (c) the reference to the participator in paragraph 13E(1)(b) has effect as if it were a reference to the taxpayer.
- (4) Sub-paragraph (5) applies where the grounds for giving effect to a claim by the payer in respect of the amount also provide grounds for making an assessment or determination under paragraph 10 or 12, or an amendment of such an assessment or determination, on the taxpayer in respect of any chargeable period.



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- (5) HMRC may set any amount repayable to the payer by virtue of the claim against any amount payable by the taxpayer by virtue of the assessment, determination or amendment.
  - (6) The obligations of HMRC and the taxpayer are discharged to the extent of any set-off under sub-paragraph (5).
  - (7) “Contract settlement” means an agreement made in connection with any person’s liability to make a payment to HMRC under or by virtue of an enactment.”
- 11 (1) Paragraph 14 (appeals) is amended as follows.
- (2) After sub-paragraph (1) insert—
    - “(1A) A participator who has made a claim under paragraph 13A may appeal from the decision on the claim by notice in writing given to HMRC within 30 days after the date of issue of the notice of the decision.”
  - (3) In sub-paragraph (9) for “section 33 of the Taxes Management Act 1970 as applied by paragraph 1 above” substitute “paragraph 13A”.
  - (4) In sub-paragraph (10) for “the appeal that” substitute “an appeal under sub-paragraph (1)”.
  - (5) After sub-paragraph (10) insert—
    - “(10A) If an appeal under sub-paragraph (1A) is notified to the tribunal and it appears to the tribunal that the decision is wrong, the tribunal shall substitute such decision as may be required.”

*Consequential amendments*

- 12 (1) Schedule 24 to FA 2007 (penalties for errors) is amended as follows.
- (2) In the Table in paragraph 1, after the first entry relating to petroleum revenue tax insert—
- |                        |  |
|------------------------|--|
| “Petroleum revenue tax | Statement or declaration in connection with a claim under paragraph 13A of Schedule 2 to the Oil Taxation Act 1975.” |
|------------------------|--|
- (3) In paragraph 1(5), after “Oil Taxation Act 1975” insert “or a statement or declaration under paragraph 13A of that Schedule”.
- 13 In FA 2009—
- (a) in Schedule 51 (time limits for assessments, claims etc), omit paragraph 18(2), and
  - (b) in Schedule 52 (recovery of overpaid tax etc), omit paragraph 11.