



# Finance (No. 2) Act 1987

## 1987 CHAPTER 51

### PART I

#### INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

### CHAPTER V

#### TAXES MANAGEMENT PROVISIONS

#### *Company returns*

#### **86 Supplementary provisions as to interest on overdue tax.**

<sup>F1</sup>(1) .....

(2) In section 86 of the Management Act (interest on overdue tax), subsection (2)(d) and paragraph 5 of the Table (which relate to assessed corporation tax) shall be omitted.

(3) References to section 86 of the Management Act in—

(a) sections 70(2) and 92 of that Act (evidence, and remission of interest in certain cases), and

<sup>F2</sup>(b) .....

shall include a reference to section 87A of the Management Act.

(4) In section 88 of the Management Act (interest on tax recovered to make good loss due to taxpayer's fault)—

(a) in subsection (2) (exclusion of certain non-assessed tax) after the words "in relation to" there shall be inserted "corporation tax or"; and

(b) in subsection (5), paragraph (e) (which relates to corporation tax) shall be omitted.

(5) In section 91 of the Management Act (effect on interest of reliefs) after subsection (1) there shall be inserted the following subsections—

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*Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 1987, Section 86. (See end of Document for details)*

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“(1A) Where interest is payable under section 87A of this Act in respect of an amount of corporation tax for an accounting period, and relief from tax is given by a discharge of any of that corporation tax—

- (a) such adjustment shall be made of the amount of interest payable under that section in respect of corporation tax for that accounting period, and
- (b) such repayment shall be made of any amounts of interest previously paid under that section in respect of that corporation tax,

as are necessary to secure that the total sum (if any) paid or payable under that section in respect of corporation tax for that accounting period is the same as it would have been if the tax discharged had never been charged.

(1B) Subsection (1A) above has effect subject to section 87A(4) of this Act.”

(6) At the beginning of subsection (2) of that section there shall be inserted the words “ Subject to subsection (2A) below ” and at the end of that subsection there shall be added the following subsection—

“(2A) In any case where—

- (a) relief from corporation tax is given to any person by repayment, and
- (b) that tax was paid for an accounting period ending after the day which is the appointed day for the purposes of section [F3 10 of the principal Act],

that person shall be entitled to require that the amount repaid shall be treated for the purposes of this section, so far as it will go, as if it were a discharge of the corporation tax charged on him for that period.”

(7) This section has effect with respect to accounting periods ending after the appointed day.

#### **Textual Amendments**

- F1** S. 86(1) repealed (11.5.2001 with effect as mentioned in Sch. 33 Pt. 2(14) note 2 of the amending Act) by 2001 c. 9, s. 110, **Sch. 33 Pt. 2(14)**
- F2** S. 86(3)(b) repealed (with effect in accordance with s. 381(1) of the commencing Act) by **Taxation (International and Other Provisions) Act 2010 (c. 8)**, s. 381(1), **Sch. 10 Pt. 12** (with **Sch. 9 paras. 1-9, 22**)
- F3** **Income and Corporation Taxes Act 1988 (c. 1, SIF 63:1)**, s. 844, **Sch. 29 para. 10(6)**. Previously “90 of the Finance (No. 2) Act 1987”.

#### **Modifications etc. (not altering text)**

- C1** The appointed day for the purposes of s. 86 is 30.9.1993, see S.I. 1992/3066, art. 2(2)(a)

**Changes to legislation:**

There are currently no known outstanding effects for the Finance (No. 2) Act 1987, Section 86.