

SCHEDULES

SCHEDULE 21

Section 116(1).

SELF-ASSESSMENT ETC: TRANSITIONAL PROVISIONS

Notice of liability

- 1 Section 7 of the Management Act (notice of liability) shall have effect as respects the year 1995-96 as if the reference in subsection (7) to a self-assessment made under section 9 of that Act in respect of that year were a reference to assessments made more than six months after the end of that year.

Payments on account of income tax

- 2 (1) Section 59A of that Act (payments on account of income tax) shall have effect as respects the year 1996-97 with the modifications made by sub-paragraphs (2) to (7) below.
- (2) The references in subsections (1)(a) and (4A) to a person being assessed to income tax under section 9 of that Act shall be construed as references to his being assessed to income tax under section 29 of that Act.
- (3) The reference in subsection (1)(b) to the assessed amount shall be construed as a reference to the difference between that amount and the aggregate of the following, namely—
- (a) so much of any income tax charged at a higher rate on any income—
 - (i) from which tax has been deducted otherwise than under section 203 of the Taxes Act 1988, or
 - (ii) from or on which income tax is treated as having been deducted or paid,as is attributable to the difference between that rate and the basic rate; and
 - (b) so much of any income tax charged at a higher rate on any income chargeable under Schedule F as is attributable to the difference between that rate and the lower rate.
- (4) The reference in subsection (1)(c) to the relevant amount shall be construed as a reference to the difference between that amount and the amount of any income tax charged under Schedule E which—
- (a) has not been deducted under section 203 of the Taxes Act 1988; and
 - (b) is not charged by an assessment made under regulation 103 of the Income Tax (Employments) Regulations 1993.
- (5) Subsection (2) shall have effect as if it required—
- (a) the first payment on account to be of an amount equal to the aggregate of—
 - (i) such part of the relevant amount as represents tax charged under Schedule A or any of Cases III to VI of Schedule D; and

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- (ii) 50 per cent. of the remaining part of the relevant amount, and
 - (b) the second payment on account to be of an amount equal to 50 per cent. of that remaining part.
- (6) Subsection (4) shall have effect as if it provided that, in the circumstances there mentioned—
- (a) the amount of the first payment on account should be, and should be deemed always to have been, equal to the aggregate of—
 - (i) such part of the stated amount as represents tax charged under Schedule A or any of Cases III to VI of Schedule D; and
 - (ii) 50 per cent. of the remaining part of the stated amount, and
 - (b) the amount of the second payment on account should be, and should be deemed always to have been, equal to 50 per cent. of that remaining part.
- (7) Subsection (4A) shall have effect as if it provided that, in the circumstances and subject as there mentioned—
- (a) the amount of the first payment on account should be, and should be deemed always to have been, equal to the aggregate of—
 - (i) such part of the relevant amount (as determined on the basis of the assessment or, as the case may be, the assessment as amended) as represents tax charged under Schedule A or any of Cases III to VI of Schedule D; and
 - (ii) 50 per cent. of the remaining part of the relevant amount, as so determined, and
 - (b) the amount of the second payment on account should be, and should be deemed always to have been, equal to 50 per cent. of that remaining part.
- (8) In this paragraph “higher rate” means a rate other than the basic rate or the lower rate.

Partnerships

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- (1) This paragraph applies in the case of a partnership whose trade, profession or business is set up and commenced before 6th April 1994.
 - (2) Section 32 of the Management Act (relief for double assessments to tax) shall have effect, as respects each partner and the year 1996-97, as if the partnership had not been assessed to income tax for that year.
 - (3) Section 59B of that Act (payment of income tax and capital gains tax) shall have effect, as respects each partner and that year, as if his share of any income tax to which the partnership is assessed for that year were income tax which in respect of that year had been deducted at source.