



Finance Act 2003

2003 CHAPTER 14

PART 4

STAMP DUTY LAND TAX

Liability for and payment of tax

85 Liability for tax

- (1) The purchaser is liable to pay the tax in respect of a chargeable transaction.
- (2) As to the liability of purchasers acting jointly see—
section 103(2)(c) (joint purchasers);
Part 2 of Schedule 15 (partners); and
paragraph 5 of Schedule 16 (trustees).

86 Payment of tax

- (1) Tax payable in respect of a land transaction must be paid at the same time that a land transaction return is made in respect of the transaction.
- (2) Tax payable as a result of the withdrawal of relief under—
 - (a) Part 1 of Schedule 7 (group relief),
 - (b) Part 2 of that Schedule (reconstruction or acquisition relief), or
 - (c) Schedule 8 (charities relief),must be paid at the same time that a return is made in respect of the withdrawal (see section 81).
- (3) Tax payable as a result of the amendment of a return must be paid forthwith or, if the amendment is made before the filing date for the return, not later than that date.
- (4) Tax payable in accordance with a determination or assessment by the Inland Revenue must be paid within 30 days after the determination or assessment is issued.

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- (5) The above provisions are subject to—
- (a) section 90 (application to defer payment of tax in case of contingent or uncertain consideration), and
 - (b) paragraphs 39 and 40 of Schedule 10 (postponement of payment pending determination of appeal).
- (6) This section does not affect the date from which interest is payable (as to which, see section 87).

87 Interest on unpaid tax

- (1) Interest is payable on the amount of any unpaid tax from the end of the period of 30 days after the relevant date until the tax is paid.
- (2) The Inland Revenue may by regulations amend subsection (1) so as to make interest run from the end of such shorter period after the relevant date as may be prescribed or, if the regulations so provide, from that date.
- (3) For the purposes of this section “the relevant date” is—
- (a) in the case of an amount payable because relief is withdrawn under—
 - (i) Part 1 of Schedule 7 (group relief),
 - (ii) Part 2 of that Schedule (reconstruction or acquisition relief), or
 - (iii) Schedule 8 (charities relief),the date of the disqualifying event;
 - (b) in the case of a deferred payment under section 90, the date when the deferred payment is due;
 - (c) in any other case, the effective date of the transaction.
- (4) In subsection (3)(a) “the disqualifying event” means—
- (a) in relation to the withdrawal of group relief, the purchaser ceasing to be a member of the same group as the vendor (within the meaning of Part 1 of Schedule 7);
 - (b) in relation to the withdrawal of reconstruction or acquisition relief, the change of control of the acquiring company mentioned in paragraph 9(1)(a) of that Schedule or, as the case may be, the event mentioned in paragraph 11(1)(a) or (2)(a) of that Schedule;
 - (c) in relation to the withdrawal of charities relief, a disqualifying event as defined in paragraph 2(3) of Schedule 8.
- (5) Subsection (3)(c) applies in a case within section 51 (contingent, uncertain or unascertained consideration) if payment is not deferred under section 90, with the result that interest on any tax payable under section 80 (adjustment where contingency ceases or consideration is ascertained) runs from the effective date of the transaction.
- (6) If an amount is lodged with the Inland Revenue in respect of the tax, the amount on which interest is payable is reduced by that amount.
- (7) Interest is calculated at the rate applicable under section 178 of the Finance Act 1989 (c. 26) (power of Treasury to prescribe rates of interest).

88 Interest on penalties

A penalty under this Part shall carry interest at the rate applicable under section 178 of the Finance Act 1989 from the date it is determined until payment.

89 Interest on repayment of tax overpaid etc

(1) A repayment by the Inland Revenue to which this section applies shall be made with interest at the rate applicable under section 178 of the Finance Act 1989 for the period between the relevant time (as defined below) and the date when the order for repayment is issued.

(2) This section applies to—

- (a) any repayment of tax, and
- (b) any repayment of a penalty under this Part.

In that case the relevant time is the date on which the payment of tax or penalty was made.

(3) This section also applies to a repayment by the Inland Revenue of an amount lodged with them in respect of the tax payable in respect of a transaction.

In that case the relevant time is the date on which the amount was lodged with them.

(4) No interest is payable under this section in respect of a payment made in consequence of an order or judgment of a court having power to allow interest on the payment.

(5) Interest paid to any person under this section is not income of that person for any tax purposes.

90 Application to defer payment in case of contingent or uncertain consideration

(1) The purchaser may apply to the Inland Revenue to defer payment of tax in a case where the amount payable depends on the amount or value of chargeable consideration that—

- (a) at the effective date of the transaction is contingent or uncertain, and
- (b) falls to be paid or provided on one or more future dates of which at least one falls, or may fall, more than six months after the effective date of the transaction.

(2) The Inland Revenue may make provision by regulations for carrying this section into effect.

(3) The regulations may in particular—

- (a) specify when an application is to be made;
- (b) impose requirements as to the form and contents of an application;
- (c) require the applicant to provide such information as the Inland Revenue may reasonably require for the purposes of determining whether to accept an application;
- (d) specify the grounds on which an application may be refused;
- (e) specify the procedure for reaching a decision on an application;
- (f) make provision for postponing payment of tax when an application has been made;
- (g) provide for an appeal to the General or Special Commissioners against a refusal to accept an application, and make provision in relation to such an

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appeal corresponding to any provision made in relation to appeals under Part 7 of Schedule 10 (appeals against Revenue decisions on tax);

- (h) provide for the effect of accepting an application;
- (i) require the purchaser to make a return or further return, and to make such payments or further payments of tax as may be specified, in such circumstances as may be specified.

- (4) The provisions of Schedule 10 (returns, enquiries, assessments and other matters) apply to a return under this section as they apply to a land transaction return.
- (5) An application under this section does not affect the purchaser's obligations as regards payment of tax in respect of chargeable consideration that has already been paid or provided or is not contingent and whose amount is ascertained or ascertainable at the time the application is made.

This applies as regards both the time of payment and the calculation of the amount payable.

- (6) Regulations under this section may provide that where—
 - (a) a payment is made as mentioned in subsection (5), and
 - (b) an application under this section is accepted in respect of other chargeable consideration taken into account in calculating the amount of that payment,
 section 80 (adjustment where contingency ceases or consideration is ascertained) does not apply in relation to the payment and, instead, any necessary adjustment shall be made in accordance with the regulations.

91 Collection and recovery of tax etc

- (1) The provisions of Schedule 12 have effect with respect to the collection and recovery of tax.

In that Schedule—

Part 1 contains general provisions, and
 Part 2 relates to court proceedings.

- (2) The provisions of that Schedule have effect in relation to the collection and recovery of any unpaid amount by way of—
 - (a) penalty under this Part, or
 - (b) interest under this Part (on unpaid tax or penalty),
 as if it were an amount of unpaid tax.

92 Payment by cheque

For the purposes of this Part where—

- (a) payment to the Inland Revenue is made by cheque, and
 - (b) the cheque is paid on its first presentation to the banker on whom it is drawn,
- the payment is treated as made on the day on which the cheque was received by the Inland Revenue.