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SCHEDULES

SCHEDULE 54

Section 102

REPAYMENT INTEREST

Commencement Information

- I1** Sch. 54 in force at 31.8.2010 for specified purposes by [S.I. 2010/1878](#), **art. 2**
- I2** Sch. 54 in force at 6.10.2011 for specified purposes by [S.I. 2011/2391](#), **art. 2(c)**
- I3** Sch. 54 in force at 31.10.2011 for specified purposes by [S.I. 2011/701](#), **art. 3(2)** (with art. 4)
- I4** Sch. 54 in force at 1.2.2013 for specified purposes by [S.I. 2013/67](#), **art. 2**
- I5** Sch. 54 in force at 1.10.2013 for specified purposes by [S.I. 2013/2472](#), **art. 2**
- I6** Sch. 54 in force at 6.5.2014 for specified purposes by [S.I. 2014/992](#), **art. 3(2)**
- I7** Sch. 54 in force at 1.1.2015 for specified purposes by [S.I. 2014/3269](#), **art. 4(1)** (with art. 4(2))
- I8** Sch. 54 in force at 1.1.2015 for specified purposes by [S.I. 2014/3324](#), **art. 3**
- I9** Sch. 54 in force at 1.4.2015 for specified purposes by [S.I. 2015/974](#), **art. 2**
- I10** Sch. 54 in force at 6.4.2018 for specified purposes by [S.I. 2018/468](#), **art. 2(a)**
- I11** Sch. 54 in force at 6.4.2019 for specified purposes by [2019 c. 1](#), **Sch. 2 para. 31**
- I12** Sch. 54 in force at 1.6.2019 for specified purposes by [S.I. 2019/918](#), **art. 2**
- I13** Sch. 54 in force at 1.6.2019 for specified purposes by [S.I. 2019/921](#), **art. 2**
- I14** Sch. 54 in force at 6.9.2019 for specified purposes by [S.I. 2019/1238](#), **art. 2** (with art. 3)
- I15** [Sch. 54](#) in force at 5.10.2020 for specified purposes by [S.I. 2020/979](#), **art. 3(2)**
- I16** [Sch. 54](#) in force at 6.4.2021 for specified purposes by [S.I. 2021/445](#), **reg. 2**
Sch. 54 in force at 6.4.2021 for specified purposes by [2020 c. 14](#), **Sch. 1 para. 29** (with Sch. 1 paras. 30-34)
Sch. 54 in force retrospectively at 6.4.2021 for specified purposes by [2022 c. 3](#), **Sch. 10 para. 29**
- I17** [Sch. 54](#) in force at 1.4.2022 for specified purposes by [S.I. 2021/1409](#), **reg. 2(a)**
- I18** [Sch. 54](#) in force at 1.1.2023 for specified purposes by [S.I. 2022/1277](#), **reg. 2(2)(b)** (with reg. 3)
- I19** [Sch. 54](#) in force at 1.5.2023 for specified purposes by [S.I. 2023/385](#), **art. 2**
- I20** [Sch. 54](#) in force at 30.9.2023 for specified purposes by [S.I. 2023/997](#), **art. 2**
- I21** [Sch. 54](#) in force at 4.3.2024 for specified purposes by [S.I. 2024/133](#), **art. 2**

PART 1

REPAYMENT INTEREST START DATE: GENERAL RULE

Introductory

- 1 (1) This Part sets out the general rule for determining the repayment interest start date.
- (2) The general rule is subject to the special provision made by Part 2.

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Repayment of amounts paid to HMRC

- 2 In the case of an amount which has been paid to HMRC, the repayment interest start date is the later of date A and (where applicable) date B.
- 3 Date A is the date on which the amount was paid to HMRC.
- 4 Date B is, in the case of an amount which—
- (a) has been paid in connection with a liability to make a payment to HMRC, and
 - (b) is to be repaid by them,
- the date on which the payment became due and payable to HMRC.

Payment of amounts on return or claim

- 5 (1) In the case of an amount which—
- (a) has not been paid to HMRC, and
 - (b) is payable by virtue of a return having been filed or a claim having been made,
- the repayment interest start date is the later of the dates mentioned in subparagraph (2).
- (2) The dates are—
- (a) the date (if any) on which the return was required to be filed or the claim was required to be made, and
 - (b) the date on which the return was in fact filed or the claim was in fact made.

PART 2

SPECIAL PROVISION AS TO REPAYMENT INTEREST START DATE

Modifications etc. (not altering text)

- C1** Sch. 54 Pt. 2 modified (1.3.2024) by 1994 c. 23, Sch. 9ZF para. 11B (as inserted by The Value Added Tax (Distance Selling) (Amendments) Regulations 2024 (S.I. 2024/128), regs. 1(1), 6(4) (with reg. 1(2)))

Income tax deducted at source

- 6 In the case of a repayment of income tax deducted at source for a tax year, the repayment interest start date is 31 January next following that year.

Carry back of losses and averaging

- 7 In the case of any amount which is to be repaid as a result of a claim for relief under—
- (a) paragraph 2 of Schedule 1B to TMA 1970 (carry back of loss relief from later year to earlier year), or
 - (b) Chapter 16 of Part 2 of ITTOIA 2005 (claim for averaging of profits of farmers etc over two consecutive years),
- the repayment interest start date is 31 January next following the year that is the later year in relation to the claim.

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MIRAS

- 8 In the case of any payment under regulations under section 375(8) of ICTA (MIRAS: payments equivalent to deductions which could have been made), the repayment interest start date is 31 January next following the tax year in which the interest payment mentioned in section 375(8)(c) was made.

Income accumulated under certain trusts

- 9 In the case of a repayment made in consequence of a claim under section 228 of the Income Tax Act 1952 (relief in respect of income accumulated under trusts), the repayment is to be treated as if it were a repayment of income tax paid by the claimant for the tax year in which the contingency mentioned in that section happened.

[^{F1}Tax on payments out of discretionary trust taxable as employment income

Textual Amendments

- F1** Sch. 54 para. 9A and cross-heading inserted (with effect in accordance with art. 4(3) of the amending S.I.) by [The Enactment of Extra-Statutory Concessions Order 2010 \(S.I. 2010/157\)](#), arts. 1, **4(2)**

- 9A. In the case of a repayment made in consequence of a claim under section 496B of ITA 2007 (relief for payments by discretionary trust taxable as employment income) the repayment interest start date is 31 January next following the end of the tax year to which the claim relates.]

[^{F2}Payments in connection with life assurance premium relief

Textual Amendments

- F2** Sch. 54 para. 9D and cross-heading inserted (with effect in accordance with art. 9(2) of the amending S.I.) by [The Enactment of Extra-Statutory Concessions Order 2011 \(S.I. 2011/1037\)](#), arts. 1, **8**

- 9D. In the case of a payment made under paragraph 6(1) of Schedule 14 to ICTA (payment where entitlement to life assurance premium relief has not been given by deduction), the repayment interest start date is 31 January next following the end of the tax year in which the entitlement to relief arose.]

Certain amounts of inheritance tax

- 10 An amount of inheritance tax which is overpaid in consequence of any of the following provisions—
- (a) section 146(1) of IHTA 1984,
 - (b) section 19 of the Inheritance (Provision for Family and Dependents) Act 1975, or
 - (c) Article 21 of the Inheritance (Provision for Family and Dependents) (Northern Ireland) Order 1979,
- does not carry repayment interest before the order mentioned in that provision is made.

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- 11 In the case of an amount which is repayable on a claim under section 146(2) or 150 of IHTA 1984, the repayment interest start date is the date on which the claim is made.
- 12 In the case of an amount which is repayable under section 147(2) of IHTA 1984, the repayment interest start date is the date on which the tax was paid.

[^{F3}VAT payments on account

Textual Amendments

F3 Sch. 54 para. 12C and cross-heading inserted (1.1.2023) by Finance Act 2021 (c. 26), s. 120(2), Sch. 29 para. 3(2); S.I. 2022/1277, reg. 2(2)(a) (with reg. 3)

- 12C (1) This paragraph applies in the case of a repayment of the amount by which—
- (a) the total amount of payments on account made in respect of a prescribed accounting period, exceeds
 - (b) the amount of VAT payable in respect of that accounting period.
- (2) The repayment interest start date is the date on which the VAT return for the prescribed accounting period is due.
- (3) In this paragraph—
- “payment on account” means a payment on account required under section 28 of VATA 1994;
 - “prescribed accounting period” has the same meaning as in VATA 1994;
 - “VAT return” means a return required to be made by regulations under VATA 1994.]

[^{F4}PART 2A

VAT: SPECIAL PROVISION AS TO PERIOD FOR WHICH AMOUNT CARRIES INTEREST

Textual Amendments

F4 Sch. 54 Pt. 2A inserted (1.1.2023 for specified purposes) by Finance Act 2021 (c. 26), s. 120(2), Sch. 29 para. 3(3); S.I. 2022/1277, reg. 2(2)(a) (with reg. 3)

Modifications etc. (not altering text)

C2 Sch. 54 Pt. 2A modified (1.3.2024) by 1994 c. 23, Sch. 9ZF para. 11C (as inserted by The Value Added Tax (Distance Selling) (Amendments) Regulations 2024 (S.I. 2024/128), regs. 1(1), 6(4) (with reg. 1(2)))

- 12D In this Part of this Schedule—
- “prescribed accounting period” has the same meaning as in VATA 1994;
 - “relevant VAT return” means the VAT return for the prescribed accounting period to which the VAT credit relates;
 - “VAT credit” has the same meaning as in VATA 1994;
 - “VAT return” means a return required to be made by regulations under VATA 1994.

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- 12E (1) An amount of VAT credit does not carry interest for any period during which—
- (a) a VAT return required to be made on or before the date on which the relevant VAT return is made has not been made, or
 - (b) there is a failure to comply with a requirement imposed under paragraph [F54(1A)] of Schedule 11 to VATA 1994 ^{F6}... giving of security).
- (2) The period referred to in sub-paragraph (1)(b)—
- (a) begins on the date when written notice requiring ^{F7}... the giving of security is given by HMRC, and
 - (b) ends on the date when HMRC receive ^{F8}... the required security.]

Textual Amendments

- F5** Words in Sch. 54 para. 12E(1)(b) substituted (retrospective to 1.1.2023 immediately after 2021 c. 26, Sch. 29 comes into force) by Finance (No. 2) Act 2023 (c. 30), s. 336(2)(a)(4); S.I. 2022/1277, reg. 2(2)(a)
- F6** Words in Sch. 54 para. 12E(1)(b) omitted (retrospective to 1.1.2023 immediately after 2021 c. 26, Sch. 29 comes into force) by Finance (No. 2) Act 2023 (c. 30), s. 336(2)(b)(4); S.I. 2022/1277, reg. 2(2)(a)
- F7** Words in Sch. 54 para. 12E(2)(a) omitted (retrospective to 1.1.2023 immediately after 2021 c. 26, Sch. 29 comes into force) by Finance (No. 2) Act 2023 (c. 30), s. 336(3)(a)(4); S.I. 2022/1277, reg. 2(2)(a)
- F8** Words in Sch. 54 para. 12E(2)(b) omitted (retrospective to 1.1.2023 immediately after 2021 c. 26, Sch. 29 comes into force) by Finance (No. 2) Act 2023 (c. 30), s. 336(3)(b)(4); S.I. 2022/1277, reg. 2(2)(a)

PART 3

SUPPLEMENTARY

Attribution of repayments

- 13 (1) This paragraph applies for the purpose of determining, for the purposes of this Schedule, how a repayment to a person (“P”) in respect of income tax for a tax year is to be attributed to payments made in respect of that tax.
- (2) Such a repayment is to be attributed to payments in the following order—
- (a) first, to so much of any payment made by P under section 59B of TMA 1970 as is a payment in respect of income tax for that year,
 - (b) second, in two equal parts to each of the payments (if any) made by P under section 59A of that Act on account of income tax for that year, and
 - (c) third, to income tax deducted at source for that year.
- (3) In so far as it is attributable to a payment made in instalments, a repayment is to be attributed to a later instalment before being attributed to an earlier one.

Interpretation

- 14 In this Schedule any reference to income tax deducted at source for a tax year is a reference to—
- (a) income tax deducted (or treated as deducted) from any income, or treated as paid on any income, in respect of that year, ^{F9}...
 - ^{F9}(b)

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but does not include a reference to amounts which, in that year, are deducted at source under PAYE regulations in respect of previous years.

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Textual Amendments

- F9** Sch. 54 para. 14(b) and preceding word omitted (with effect in accordance with Sch. 1 para. 73 to the amending Act) by virtue of [Finance Act 2016 \(c. 24\)](#), **Sch. 1 para. 66(6)**

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Changes and effects yet to be applied to :

- Sch. 54 para. 9D repealed by [2012 c. 14 Sch. 39 para. 28\(1\)](#)

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 102(4)(za) inserted by [2010 c. 33 Sch. 9 para. 3\(3\)](#)
- Sch. 53 para. 2A-2D and cross-heading inserted by [2010 c. 33 Sch. 9 para. 7](#)
- Sch. 53 para. 6A and cross-heading inserted by [2010 c. 33 Sch. 9 para. 8](#)
- Sch. 53 para. 11A11B and cross-heading inserted by [2010 c. 33 Sch. 9 para. 17](#)
- Sch. 53 para. 14A and cross-heading inserted by [2010 c. 33 Sch. 9 para. 18](#)
- Sch. 54 para. 9B9C and cross-heading inserted by [2010 c. 33 Sch. 9 para. 11](#) (Sch. 54 para. 9B is amended before it comes into force by [2016 c. 24, Sch. 1 para. 66\(5\)](#))
- Sch. 54 para. 12A12B and cross-heading inserted by [2010 c. 33 Sch. 9 para. 19](#)
- Sch. 54 Pt. A1 inserted by [2010 c. 33 Sch. 9 para. 10](#) (Sch. 9 para. 10 is amended before it comes into force by [2017 c. 32, Sch. 4 para. 182](#))
- Sch. 55 para. 6(3A)(za) inserted by [2015 c. 11 Sch. 20 para. 15\(2\)\(a\)](#)
- Sch. 55 para. 6(4A)(za) inserted by [2015 c. 11 Sch. 20 para. 15\(3\)\(a\)](#)
- Sch. 55 para. 17(4)(ba) inserted by [2015 c. 11 Sch. 20 para. 19](#)
- Sch. 56 para. 3(1)(d) omitted by [2021 c. 26 Sch. 27 para. 40\(4\)\(c\)](#)