STATUTORY INSTRUMENTS

1987 No. 513

INCOME TAX

The Income Tax (Interest on Unpaid Tax and Repayment Supplement) Order 1987

Made - - - -	*24th March 1987*
Laid before the House of Commons	*24th March 1987*
Coming into force	*6th April 1987*

The Treasury, in exercise of the powers conferred on them by section 40(2) of the Finance Act 1967(**a**), by section 89(2) of the Taxes Management Act 1970(**b**) and by sections 47(7) and 48(6) of the Finance (No.2) Act 1975(**c**), hereby make the following Order:

1. This Order may be cited as the Income Tax (Interest on Unpaid Tax and Repayment Supplement) Order 1987 and shall come into force on 6th April 1987.

2. The prescribed rate of interest for the purposes of each of the provisions set out in the Table below shall be 9 per cent. per annum.

TABLE

Section 8 of the Finance (No 2) Act 1947(**d**) (unpaid profits tax, excess profits tax and excess profits levy)
Paragraph 10(1) of Schedule 7 to the Finance Act 1960(**e**) (unpaid profits tax recovered to make good loss due to taxpayer's fault)
Sections 86, 86A(**f**), 87(**g**) and 88 of the Taxes Management Act 1970 (unpaid income tax, surtax, capital gains tax, corporation tax, including advance corporation tax, development land tax, and overpaid development land tax)
Paragraph 15(1) of Schedule 2 to the Oil Taxation Act 1975(**h**) (unpaid petroleum revenue tax)

(**a**) 1967 c.54. (**b**) 1970 c.9; section 89(2) was extended to petroleum revenue tax by paragraph 1 (1) of Schedule 2 to the Oil Taxation Act 1975 (c.22) and to development land tax by paragraph 23 of Schedule 8 to the Development Land Tax Act 1976 (c.24). The Development Land Tax Act was repealed by the Finance Act 1985 (c.54), section 98(6) and Schedule 27 Part X in relation to any disposal of an interest in land on or after 19th March 1985. (**c**) 1975 c.45. (**d**) 1947 c.9 (11 & 12 Geo.6). (**e**) 1960 c.44. (**f**) Section 86A was inserted by paragraph 21 of Schedule 8 to the Development Land Tax Act 1976 which was repealed by the Finance Act 1985, section 98(b) and Schedule 27 Part X. (**g**) section 87 was amended by the Finance Act 1972 (c.41) Section 111 and Schedule 24 paragraph 10. (**h**) Paragraph 15(1) was amended by section 2(1) of the Petroleum Revenue Tax Act 1980 (c.1).

3. The prescribed rate of interest for the purposes of sections 47(1) and 48(2) of the Finance (No.2) Act 1975 (supplement on overpaid income tax, surtax, capital gains tax, and corporation tax, including advance corporation tax) shall be 9 per cent, per annum.

Michael Neubert
Peter Lloyd

24th March 1987 — Two of the Lords Commissioners of Her Majesty's Treasury

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EXPLANATORY NOTE

(This note is not part of the Order)

On and after 6th April 1987 this Order reduces from 9.5 per cent. per annum to 9 per cent. per annum the rate of interest chargeable on unpaid income tax, surtax, capital gains tax, corporation tax (including advance corporation tax), development land tax, petroleum revenue tax, profits tax, excess profits tax, excess profits levy and on overpaid development land tax. The Order also provides that on and after 6th April 1987 supplement on repayments of income tax, surtax, capital gains tax and corporation tax (including advance corporation tax) will be at the rate of 9 per cent. per annum instead of 9.5 per cent. per annum.

45p net

ISBN 0 11 076513 3

Printed for Her Majesty's Stationery Office by Croydon Printing Company (UK) Limited 736/ 0568 C30 4/87