Finance Act, 2008

Section 135 - Interest on unpaid tax in case of disaster etc of national significance

1) This section applies in any case where the Commissioners agree that the payment of a relevant sum may be deferred by reason of circumstances arising as a result of a disaster or emergency specified in an order under this section (an "agreement for deferred payment"). (2) In subsection (1) "relevant sum" means a sum to meet any liability to the Commissioners arising under or by virtue of an enactment or a contract settlement. (3) No interest on the amount deferred is chargeable in respect of the relief period and no liability to a surcharge on the deferred amount arises during that period. (4) The relief period is the period- (a) beginning with a date specified in the order or, if the Commissioners so direct, a later date from which the agreement for deferred payment has effect, and (b) ending with the date on which the agreement for deferred payment ceases to have effect or, if earlier, the date on which the order is revoked. (5) The agreement for deferred payment ceases to have effect at the end of the period of deferment specified in the agreement or, if the Commissioners agree to extend (or further extend) that period by reason of circumstances arising as a result of the disaster or emergency, with the end of that extended (or further extended) period. (6) If the agreement for deferred payment is an agreement for payment by instalments, the period of deferment in relation to each instalment ends with the date on or before which that instalment is to be paid; but if an instalment is not paid by the agreed date and the Commissioners do not agree to extend the period of deferment, the whole of the agreement for deferred payment is to be treated as ceasing to have effect on that date. (7) This section applies whether the agreement for deferred payment was made- (a) before or after the amount to which it relates becomes due and payable, or (b) before or after the making of the order concerned. (8) If in any case the Commissioners are satisfied that, although no agreement for deferred payment was made, one could have been made, this section applies as if one had been made; and the terms of the notional agreement for deferred payment are to be assumed to be such as the Commissioners are satisfied would have been agreed in the circumstances. (9) An order under this section may be made only in relation to a disaster or emergency which the Treasury consider to be of national significance. (10) Such an order- (a) may specify a disaster or emergency which has begun (or both begun and ended) before it is made (including one which has begun, or both begun and ended, before the passing of this Act), and (b) may specify a date before the date on which it is made (including a date before the passing of this Act). (11) The power to make an order under this section is exercisable by the Treasury by statutory instrument. (12) A statutory instrument containing such an order is subject to annulment in pursuance of a resolution of the House of Commons. (13) In FA 2001, omit section 107 (interest on unpaid tax etc: foot and mouth disease); but the repeal of that section does not affect any agreement for deferred payment made before this Act is passed.