

Amendment 19 to Clause 116 and Schedule 28: Late payment interest and repayment interest: VAT

Summary

1. This amendment to Schedule 28 ensures that repayment interest is paid for any period where Her Majesty's Revenue and Customs (HMRC) have raised a reasonable inquiry, or for any period where HMRC are correcting errors or omissions. This amendment removes the provision that would have prevented repayment interest from accruing for such periods.

Details of the amendment

2. Amendment 19 removes paragraph 12E, which would otherwise be inserted into Part 2A of Schedule 54 to the Finance Act 2009. This amendment allows repayment interest to accrue whilst HMRC raises a reasonable inquiry or for any period where HMRC corrects errors or omissions in a particular Value Added Tax (VAT) return.

Background note

3. This amendment has been tabled in order to harmonise our approach to repayment interest, ensuring that the repayment interest provisions operate for VAT in the same way as they do for other taxes, including Income Tax Self-Assessment and Corporation Tax.