
STATUTORY INSTRUMENTS

1998 No. 3175

The Corporation Tax (Instalment Payments) Regulations 1998

Instalment payments—principal provision

5.—(1) Save as regards any amount falling within regulation 4(1)(b), (2)(b) or (3)(b), amounts in respect of the total liability of a large company for an accounting period shall be treated as becoming due and payable as follows.

(2) Subject to paragraph (4), the amount of the company's total liability for that period or, as the case may be, the specified percentage amount shall be treated as becoming due and payable in instalments (not exceeding four) on the dates specified in paragraph (3).

(3) The first instalment payment shall be treated as becoming due and payable on the date which is six months and thirteen days from the start of the accounting period.

The final instalment payment shall be treated as becoming due and payable on the date which is three months and fourteen days from the end of the accounting period.

An additional instalment payment or additional instalment payments shall, where the length of the accounting period so allows, each be treated as becoming due and payable on the date which is three months after the date of the immediately preceding instalment payment.

(4) Where the length of the accounting period is such that the date which is three months and fourteen days from the end of the accounting period falls earlier than the date which is six months and thirteen days from the start of the accounting period, the amount of the company's total liability for that period or, as the case may be, the specified percentage amount shall be treated as becoming due and payable on the date which is three months and fourteen days from the end of the accounting period.

(5) Where in accordance with paragraph (2) amounts in respect of the amount of the company's total liability for an accounting period or in respect of the specified percentage amount are treated as becoming due and payable in instalments, the amount treated as becoming due and payable on any instalment payment date shall be calculated in accordance with paragraphs (6) to (8) and by reference to the formula—

$$3 \times \frac{CTI}{n}$$

where—

CTI is the amount of the company's total liability for that accounting period or the specified percentage amount, and

n is the number of whole months falling within that accounting period plus the appropriate decimal.

(6) The amount treated as becoming due and payable on the first instalment payment date is the smaller of CTI and the amount resulting from the formula specified in paragraph (5).

(7) The amount treated as becoming due and payable on each subsequent instalment payment date other than the final instalment payment date is the smaller of—

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- (a) the balance of the company’s total liability for that accounting period or of the specified percentage amount carried forward from the immediately preceding instalment payment date, and
 - (b) the amount resulting from the formula specified in paragraph (5).
- (8) The amount treated as becoming due and payable on the final instalment payment date is the balance of the company’s total liability for that accounting period or of the specified percentage amount carried forward from the immediately preceding instalment payment date.
- (9) In this regulation—
- “the appropriate decimal” is a decimal, calculated to two places rounded arithmetically where necessary, representing the number of days in the accounting period falling outside the whole months falling within that period and corresponding to the fraction of which the numerator is the number of those days and the denominator is 30;
 - “the specified percentage amount” means an amount equal to the percentage specified in regulation 4(1)(a), (2)(a) or (3)(a), as the case may be.