
STATUTORY INSTRUMENTS

1999 No. 2637

The Taxes (Interest Rate) (Amendment No. 4) Regulations 1999

Amendments to the principal Regulations

4. After regulation 3AB there shall be inserted the following regulation—

“**3AC.**—(1) For the purposes of section 87 of the Taxes Management Act 1970(1) in so far as it relates to tax that becomes due and payable on or after 14th October 1999, the rate applicable under section 178 shall, subject to paragraph (2), be 7.5 per cent. per annum.

(2) Where on a reference date after 14th October 1999 the reference rate found on that date differs from the established rate, the rate applicable under section 178 for the purposes mentioned in paragraph (1) shall, on and after the next operative date, be the percentage per annum found by applying the formula specified in paragraph (3).

- (3) The formula specified in this paragraph is—

$$RR + 2.5$$

where

RR is the reference rate referred to in paragraph (2).”

(1) 1970 c. 9. Section 87 was substituted by section 111 of, and paragraph 10 of Schedule 24 to, the Finance Act 1972 (c. 41), and the section as substituted was amended by section 46(3) of the Finance (No. 2) Act 1975 (c. 45), section 62(1) and (2) of the Finance Act 1980 (c. 48), paragraph 32 of Schedule 29 to the Income and Corporation Taxes Act 1988 (c. 1), section 179(1)(b)(i) of, and Part VIII of Schedule 17 to, the Finance Act 1989 and paragraph 3 of Schedule 3, and Part III(2) of Schedule 27, to the Finance Act 1998 (c. 36).