

1 Air passenger duty: miscellaneous provision

- (1) In section 38 of FA 1994 (accounting for and payment of duty) after subsection (2) insert –
 - “(2A) Regulations may require a prescribed person to make, at prescribed times during a prescribed period, payments based on an estimate of what the person’s liability will be for duty charged in the period.
 - (2B) The estimate and the amounts of the payments are to be determined in accordance with provision made by the regulations.
 - (2C) The payments are to be treated as being payments on account of the person’s liability for duty charged in the period.
 - (2D) The regulations must make provision for dealing with cases where this results in an overpayment of duty by providing for amounts –
 - (a) to be repaid by the Commissioners, or
 - (b) to be treated as having been paid on account of the person’s liability for duty charged in other periods,or both.”
- (2) In Part 2 of Schedule 5A to FA 1994 (territories etc) at the appropriate place insert “South Sudan”.
- (3) The amendment made by subsection (2) has effect in relation to the carriage of passengers beginning on or after 9 July 2011.

EXPLANATORY NOTE

AIR PASSENGER DUTY: MISCELLANEOUS PROVISIONS

SUMMARY

1. This clause introduces legislation to give HM Revenue & Customs (HMRC) the power to implement special accounting arrangements in relation to annual accounting and to specify the detail of these arrangements in regulations.

DETAILS OF THE CLAUSE

2. Subsection 1 inserts new subsections (2A) to (2D) into section 38 of Finance Act 1994 (FA 1994).
3. New subsection (2A) provides that payments based on an estimate of liability may be required at prescribed times during a prescribed period.
4. New subsection (2B) and (2C) provide that such payments are to be calculated in accordance with the regulations, and are to be treated as payments made on account of the person's duty liability for the period.
5. New subsection (2D) provides that where this results in an overpayment of duty, the regulations must make provision that this is to be repaid or treated as duty paid for other periods, or both.
6. Subsections 2 and 3 inserts 'South Sudan' into Part 2 of Schedule 5A to FA 1994, and applies this change from 9 July 2011.

BACKGROUND

7. To help minimise administrative burdens HMRC are introducing an accounting scheme which will allow operators to submit annual returns. This clause provides that payments on account may be required and that the calculation of these amounts and the time when they must be paid are prescribed in regulations.
8. The clause also updates the list of territories in Schedule 5A to include South Sudan, which was formally recognised on 9 July 2011.
9. If you have any questions about this change, or comments on the legislation, please contact Wing Edmundson on 020 7147 0410 (email: wing.edmundson@hmrc.gsi.gov.uk).