



# Finance Act 1965

## 1965 CHAPTER 25

### PART II

#### INCOME TAX.

##### *Short term capital gains.*

#### **18 Amendments of Case VII of Schedule D: chattels sold for £1,000 or less.**

- (1) There shall be exempt from tax chargeable under Case VII a gain accruing from the acquisition and disposal of an asset which is tangible movable property if the amount or value of the consideration for the disposal does not exceed one thousand pounds, and the amount of income tax (including surtax) chargeable under Case VII in respect of a gain accruing from the acquisition and disposal of an asset which is tangible movable property for a consideration exceeding one thousand pounds shall not exceed half the difference between that consideration and one thousand pounds.

For the purposes of this subsection the amount of the gain on which income tax is so chargeable shall be deemed to be the highest part of the income of the person charged for the year of assessment in question.

- (2) Subsection (1) above shall not affect section 10(4) of the Finance Act 1962 (losses) but for the purposes of the said section 10(4) the consideration for the disposal of any asset which is tangible movable property shall, if less than one thousand pounds, be deemed to be one thousand pounds and losses allowable under that subsection shall be restricted accordingly.
- (3) If two or more assets which have formed part of a set of articles of any description all owned at one time by one person are disposed of by that person, and—
- (a) to the same person, or
  - (b) to persons who are acting in concert or who are, in the terms of paragraph 21 of Schedule 7 to this Act, connected persons,

whether on the same or different occasions, those assets shall be treated for the purposes of subsections (1) and (2) of this section as a single asset but with any

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necessary apportionments of the reductions in tax, and in allowable losses, under subsections (1) and (2) of this section.

- (4) In applying subsections (1) and (2) of this section in a case where the disposal is of a right or interest in or over tangible movable property—
- (a) in the first instance those subsections shall be applied in relation to the asset as a whole, taking the consideration as including the market value of what remains undisposed of, in addition to the actual consideration,
  - (b) where the sum of the actual consideration and that market value exceeds one thousand pounds, the limitation on the amount of income tax (including surtax) in subsection (1) shall be to half the difference between that sum and one thousand pounds multiplied by the fraction equal to the actual consideration divided by the said sum, and
  - (c) where that sum is less than one thousand pounds any loss shall be restricted under subsection (2) of this section by deeming the actual consideration to be the actual consideration plus the said fraction of the difference between the said sum and one thousand pounds.
- (5) Subsections (1) and (2) of this section shall not apply—
- (a) in relation to a disposal of commodities of any description by a person dealing on a terminal market or dealing with or through a person ordinarily engaged in dealing on a terminal market, or
  - (b) in relation to a disposal of currency of any description.
- (6) This section does not have effect in relation to a gain or loss accruing on the acquisition and disposal of an asset if either the acquisition or the disposal occurred before 7th April 1965.