

*Changes to legislation:* There are currently no known outstanding effects for the Finance Act 1974, Paragraph 11. (See end of Document for details)

## SCHEDULES

### [<sup>F1</sup>SCHEDULE 3

#### PROVISIONS SUPPLEMENTARY TO SECTION 38

##### Textual Amendments

- F1** *Sch. 3* Repealed by Finance Act 1985 (c. 54, SIF 63:1), s. 98(6) and Sch. 27 Part X in relation to disposals of interests in land taking place on or after 19 March Finance Act 1985 (c. 54, SIF 63:1), but without affecting the construction of 1979 (C) Sch. 5 para. 9(5).

#### PART II

#### OTHER PROVISIONS SUPPLEMENTARY TO SECTION 38

*Computation of development gain in respect of disposal of interest in land after material development has been carried out*

- 11 (1) *This paragraph shall apply in relation to a disposal of an interest in land to which the principal section applies if material development of the land has been carried out after 17 th December 1973 [ and<sup>F2</sup>] since the person making the disposal acquired the interest [ but before the appointed day, within the meaning of the Development Land Tax Act 1976 <sup>F2</sup>].*
- (2) *Subsection (3) of the principal section shall apply in relation to the disposal as if paragraph (b) were omitted, and as if for the words “whichever is the least” there were substituted the words “whichever is the smaller”.*
- (3) *For the purpose of computing the amount given by subsection (3)(c) of the principal section, the amount by which the current use value of the interest in land at the time of the disposal exceeds the current use value of the interest at the time of its acquisition by the person making the disposal or, if the interest was acquired by him before 6 th April 1965, its current use value at that date shall be taken to be equal to the sum of the amounts mentioned in the following sub-paragraph ( or, if both those amounts are nil, to be nil).*
- (4) *The amounts referred to in the preceding sub-paragraph are the following, that is to say—*
- (a) *the amount ( if any) by which the current use value of the interest immediately before the date on which the material development mentioned in sub-paragraph (1) above was begun exceeds the current use value of the interest at the time of its acquisition by the person making the disposal or on 6 th April 1965, as the case may be; and*

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 1974, Paragraph 11. (See end of Document for details)*

- (b) *the amount ( if any) by which the current use value of the interest at the time of the disposal exceeds the aggregate of the amounts mentioned in the following sub-paragraph.*
- (5) *The amounts referred to in sub-paragraph (4)(b) above are the following, that is to say—*
- (a) *the current use value of the interest immediately after the date on which the material development mentioned in sub-paragraph (1) above was begun, calculated on the assumption that it was lawful for that development to be carried out; and*
- (b) *the amount of any expenditure attributable to that development which is allowable under [ section 32(1)(b) of the Capital Gains Tax Act 1979 <sup>F3</sup>] as a deduction from the consideration for the disposal in computing the chargeable gain accruing thereon.*
- (6) *Where material development of the land in question has been carried out on two or more different occasions after 17 th December 1973 [ and<sup>F4</sup>] since the person making the disposal acquired the interets [ but before the appointed day, within the meaning of the Development Land Tax Act 1976 <sup>F4</sup>], then for the purposes of this paragraph—*
- (a) *there shall be calculated for the first of those occasions the amount mentioned in sub-paragraph (4)(a) above ( the reference there to the material development mentioned in sub-paragraph (1) above being for this purpose read as a reference to the material development carried out on that occasion);*
- (b) *there shall be calculated for each of those occasions other than the first the amount ( if any) by which the current use value of the interest immediately before the date on which the material development carried out on that occasion was begun exceeds the aggregate of the amounts mentioned in sub-paragraph (5) above ( the references there to the material development mentioned in sub-paragraph (1) above being for this purpose read as references to the material development carried out on the occasion preceding the one for which the calculation is being made); and*
- (c) *there shall be calculated the amount ( if any) by which the current use value of the interest at the time of the disposal exceeds the aggregate of the amounts mentioned in sub-paragraph (5) above ( the references there to the material development mentioned in sub-paragraph (1) above being for this purpose read as references to the material development carried out on the last of those occasions);*

*and sub-paragraph (3) above shall apply as if for the words from “the sum of the amounts mentioned in the following sub-paragraph” to the end of the paragraph there were substituted the words “the sum of the amounts calculated under sub-paragraph (6)(a) to (c) below (or, if those amounts are each nil, to be nil)”.]*

#### Textual Amendments

**F2** [Development Land Tax Act 1976 \(c. 24\), s. 35\(3\)](#)—see [Development Land Tax](#). By virtue of S.I. 1976 No.1148 (C.33) the Treasury appointed 1 August 1976 to be the appointed day. [Development Land Tax Act 1976 \(c. 24\)](#), repealed by [Finance Act 1985 \(c. 54, SIF 63:1\)](#), **ss. 93, 98(6)** and Sch.27 Part X.

**F3** [Capital Gains Tax Act 1979 \(c. 14, SIF 63:1\)](#) s. 157(2) and Sch. 7 para. 9 for 1979-80 et seq.

---

**Changes to legislation:** *There are currently no known outstanding effects for the Finance Act 1974, Paragraph 11. (See end of Document for details)*

---

- F4** Development Land Tax Act 1976 (c. 24), s. 35(3)—see Development Land Tax. By virtue of S.I. 1976 No.1148 (C.33) the Treasury appointed 1 August 1976 to be the appointed day. Development Land Tax Act 1976 (c. 24), repealed by Finance Act 1985 (c. 54, SIF 63:1), ss. 93, 98(6) and Sch.27 Part X.

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 1974, Paragraph 11.