



Finance Act 1974

1974 CHAPTER 30

PART III

^{F1} CAPITAL GAINS FROM LAND

CHAPTER I

^{F1} DEVELOPMENT GAINS FROM LAND

40 Development losses.

- (1) *This section applies to any disposal of any interest in land situated in the United Kingdom which is made after 17th December 1973.*
- (2) *Where in any chargeable period a loss accrues to a person on a disposal of an interest in land to which this section applies, he may, by notice in writing given within two years after the end of that period, make a claim for relief from tax by reference to the amount of any development loss accruing to him in respect of the disposal.*
- (3) *If, but only if, a claim under subsection (2) above is made in respect of a disposal to which this section applies, then, subject to the provisions of Schedule 6 to this Act—*
 - (a) *so much (if any) of the loss accruing on the disposal as by virtue of this Chapter is a development loss shall be treated as a loss to which section 176 or, as the case may be, section 179 of the Taxes Act (Case VI losses), applies, and (except for the purpose of computing the development loss, if any, accruing in respect of the disposal) shall not be an allowable loss within the meaning of [^{F1}the Capital Gains Tax Act 1979^{F1}]; and*
 - (b) *the said section 176 or 179 shall apply to any development loss accruing in respect of the disposal as if a claim under that section had been duly made with regard to it.*
- (4) *Where an allowable loss accrues to a person on a disposal of an interest in land to which this section applies and a claim under subsection (2) above is made in respect of that disposal, then, subject to the provisions of this Chapter, the development loss*

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1974, Section 40. (See end of Document for details)

accruing to him in respect of that disposal shall be equal to the amount of the allowable loss reduced by the amount (if any) by which the current use value of the interest at the time of the disposal is less than 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 6th April 1965, its current use value at that date.

- (5) *Schedule 6 to this Act shall have effect for supplementing this section.*
- (6) *Without prejudice to subsection (3) of section 41 or subsection (3) of section 42 of this Act, nothing in either of those sections shall be taken to extend the application of this section^{F2}.*

Textual Amendments

F1 [Capital Gains Tax Act 1979 \(c. 14, SIF 63:1\)](#), **s. 157(2)** and Sch. 7 para. 8 for 1979-80 et seq.

F2 See 1975 (No. 2) s. 55(4) as to computation of chargeable gains in respect of agricultural property.

Changes to legislation:

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