

## SCHEDULE 12

### CONSEQUENTIAL AMENDMENTS

#### *General*

- 1       References in any enactment, or in any instrument made under any enactment, to estate duty or to death duties shall be construed as including references to capital transfer tax chargeable under section 22 of this Act.
- 2       The amendments made by the following paragraphs—
- (a)   so far as they relate to estate duty, have effect in relation to deaths occurring after the passing of this Act, and
  - (b)   so far as they relate to capital transfer tax, have effect in relation to transfers of value whenever made.

#### *The Local Registration of Title (Ireland) Act 1891*

- 3       (1) In the Local Registration of Title (Ireland) Act 1891, the following subsection shall be added at the end of section 45—
- “(5) The registering authority may, upon the application of the Board of Inland Revenue and without the concurrence of the registered owner, register an Inland Revenue charge (within the meaning of Part IU of the Finance Act 1975) as a burden under this section affecting the land or any interest therein subject to that charge.”.
- (2) This paragraph shall cease to have effect on the day on which section 39 of the Land Registration Act (Northern Ireland) 1970 comes into operation.

#### *The Colonial Probates Act 1892*

- 4       In section 2(1) of the Colonial Probates Act 1892 after the words " deceased person " there shall be inserted the words
- “then (subject to section 156A of the Supreme Court of Judicature (Consolidation) Act 1925, section 42 of the Probate and Legacy Duties Act 1808 and section 99A of the Probates and Letters of Administration Act (Ireland) 1857)”.

#### *The Land Registration Act 1925*

- 5       (1) The Land Registration Act 1925 shall be amended as follows.
- (2) In section 20(1)(a), after the word " register" there shall be inserted the words
- “and any charge for capital transfer tax subject to which the disposition takes effect under section 73 of this Act”.
- (3) In section 23(1)(b), after the word "register" there shall be inserted the words
- “and any charge for capital transfer tax subject to which the disposition takes effect under section 73 of this Act”.
- (4) In section 59(6), after the word " interest" there shall be inserted the words

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“or a charge for capital transfer tax subject to which the disposition takes effect under section 73 of this Act”.

(5) In section 64(1), at the end of paragraph (c) there shall be added the words

“or a notice of a charge for capital transfer tax”.

(6) For section 73 there shall be substituted the following section—

“Inland Revenue charge for capital transfer tax.

**73** A disposition shall take effect subject to any subsisting Inland Revenue charge under Part III of the Finance Act 1975 unless—

- (a) the disposition is in favour of a purchaser within the meaning of that Part; and
- (b) the charge is not, at the time of registration of the disposition, protected by notice on the register.”

*The Inheritance (Family Provision) Act 1938*

6 (1) In section 3(1) of the Inheritance (Family Provision) Act 1938 for the words " death duties" there shall be substituted the words

“capital transfer tax”.

(2) In section 5(1) of that Act, in the definition of "net estate ", for the words " estate duty " there shall be substituted the words

“capital transfer tax”.

*The Finance Act 1946*

7 (1) In section 50 of the Finance Act 1946—

(a) in subsection (1), for the words "section 56 of the Finance (1909-10) Act 1910 " there shall be substituted the words

“paragraph 17 of Schedule 4 to the Finance Act 1975”,  
and for the word "duty" there shall be substituted the words

“capital transfer tax”;

(b) in subsection (2), for the word "duty" wherever it occurs there shall be substituted the word

“tax”; and

(c) in subsection (5), after the word " sub-lease" there shall be inserted the words

“or the lending”,  
and for the words " in respect of " there shall be substituted the word

“of”.

(2) In section 51 of that Act—

(a) in subsection (1), for the words " section 56 of the Finance (1909-10) Act 1910" there shall be substituted the words

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- “paragraph 17 of Schedule 4 to the Finance Act 1975”; and
- (b) in subsection (2), for the words " section 56" there shall be substituted the words
- “paragraph 17”.

*The Crown Proceedings Act 1947*

- 8 In section 14(1) of the Crown Proceedings Act 1947—
- (a) in paragraph (a), for the words " death duties " there shall be substituted the words
- “capital transfer tax”; and
- (b) in paragraph (b), for the words from " payment" to the end there shall be substituted the words

“payment of capital transfer tax under Part III of the Finance Act 1975”.

- 9 In section 14 of the Crown Proceedings Act 1947, as applied to the Crown in right of Her Majesty's Government in the United Kingdom by the Northern Ireland (Crown Proceedings) Order 1949, in paragraph (c) and (d) after the words " value added tax
- “there shall be inserted the words”and capital transfer tax " .

*Small Estates (Representation) Act 1961*

- 10 (1) In relation to Scotland section 1 of the Small Estates (Representation) Act 1961 shall be amended as provided by the following sub-paragraphs.
- (2) For subsection (2) there shall be substituted the following subsection—
- “(2) Gross estate in this Act and in the enactments specified in the First Schedule to this Act means the aggregate of the property heritable and moveable included in the deceased's estate, and for the purposes of this Act and those enactments the value of the net estate shall be taken to be the value of the gross estate less reasonable funeral expenses and the aggregate of all liabilities enforceable against the deceased which were incurred for his benefit, and in respect of which he had no right of recourse.”(3) Subsection (3) shall be omitted.

*The Licensing Act 1964*

- 11 In section 14(3) of the Licensing Act 1964 for the words from " and subject" to " estate duty " there shall be substituted the words
- “as the value of property is determined by them for the purposes of capital transfer tax, but subject to an appeal to the High Court by any of the persons interested in the licensed premises”.

*The Finance Act 1965*

- 12 For section 25A of the Finance Act 1965 there shall be substituted the following section:—

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“Gifts subject to capital transfer tax on death.

**25A(1)** Where the value of any asset comprised in a gift inter vivos is by virtue of section 22(5) of the Finance Act 1975 included in the value of the estate of any person for the purposes of capital transfer tax, and at the time of that person's death the asset—

- (a) is owned by the donee, or
- (b) is property settled by the gift or property which for the purposes of section 38 of the Finance Act 1957 or section 1 of the Finance Act (Northern Ireland) 1957 would by virtue of subsection (9) thereof be treated as property settled by the gift,

then, subject to subsection (2) below, the asset shall for the purposes of this Part of this Act be deemed to be disposed of and immediately re-acquired at that time by the donee or trustee for a consideration equal to the value so included; but no chargeable gain shall accrue on the disposal.

(2) Where the value so included is reduced by virtue of section 35 of the Finance Act 1968 or section 1 of the Finance Act (Northern Ireland) 1968, the appropriate portion only of the asset shall be deemed to be so disposed of and re-acquired ; and for this purpose the appropriate portion is the reduced value so included divided by the value before the reduction.”

13 For section 26 of that Act there shall be substituted the following section:—

“Market value determined for capital transfer tax.

**26** Where on the death of any person capital transfer tax is chargeable on the value of his estate immediately before his death and the value of an asset forming part of that estate has been ascertained (whether in any proceedings or otherwise) for the purposes of that tax, the value so ascertained shall be taken for the purposes of this Part of this Act to be the market value of that asset at the date of the death.”

14 (1) Section 31 of that Act shall be amended as follows.

(2) In subsection (1) for the words from "under section 15(2)" to the end there shall be substituted the words

“the asset is property falling within paragraph 13(2)(f) of Schedule 6 to the Finance Act 1975 and the Treasury give a direction in relation to it under paragraph 13(1) of that Schedule”.

(3) In subsection (3) for the words " the said section 40 applies " there shall be substituted the words

“section 31 of the Finance Act 1975 applies or might apply”

“section 31(2) of the Finance Act 1975”.

(4) In subsection (5) for the words from the beginning to " tax on chargeable gains " there shall be substituted the words

“If there is a sale of the asset and capital transfer tax is chargeable under section 32(2) of the Finance Act 1975 or would be chargeable if an undertaking under section 31 of that Act as well as under subsection (3) of this section had been given”.

- (5) For subsection (6) there shall be substituted the following subsection:—
- “(6) A gain shall not be a chargeable gain if it accrues on the disposal of an object with respect to which an undertaking under subsection (3) of this section or section 31 of the Finance Act 1975 has been given, and the disposal is such as is referred to in section 32(3)(a) of that Act or is a disposal to the Board under paragraph 17 of Schedule 4 to that Act.”
- (6) In subsection (7) for the words from " until the asset" to " 1930 and " there shall be substituted the words
- “until the person entitled to the asset dies or it is disposed of, whether by sale or gift or otherwise ; and if the asset subject to the undertaking is disposed of otherwise than on sale, and without a further undertaking being given under that subsection”
- “References in this subsection to a disposal shall be construed without regard to any provision of this Part of this Act under which an asset is deemed to be disposed of”.
- (7) In subsection (8) for the words " estate duty becomes payable " there shall be substituted the words
- “capital transfer tax becomes chargeable”
- “that tax”.
- (8) Subsection (9) shall be omitted.
- 15 In section 32 of that Act for the words from "if under section 40 " to the end of subsection (1) there shall be substituted the words
- “if the asset is property falling under paragraph 13(2)(a), (b), (c), (d) or (e) of Schedule 6 to the Finance Act 1975 and the Treasury give a direction in relation to it under paragraph 13(1) of that Schedule”; and subsection (3) shall be omitted.
- The Income and Corporation Taxes Act 1970*
- 16 (1) Section 430 of the Taxes Act shall be amended as follows.
- (2) In subsection (1), for paragraph (a) there shall be substituted the following paragraph
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- “(a) in determining the value of his estate for the purposes of any capital transfer tax chargeable on his death, and”.
- (3) In subsection (2), for the words "estate duty payable in respect of" there shall be substituted the words
- “capital transfer tax attributable to”.
- (4) In subsection (4), for the words " principal value " there shall be substituted the word
- “value”.
- (5) In subsection (5), there shall be substituted—
- (a) for the words from " accountable " to " Northern Ireland) ", the words " liable for capital transfer tax and the Board " ;
- (b) for the words " principal value ", the word " value " ; and

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- (c) for the words " any estate duty ", the words " any capital transfer tax ".

*The Finance Act 1971*

- 17 In paragraph 11 of Schedule 12 to the Finance Act 1971 for the words from the beginning to "by any percentage" in sub-paragraph (b) there shall be substituted the following:—

“Where a life interest (within the meaning of section 25 of the Finance Act 1965) in settled property is terminated by the death of a person on whose death capital transfer tax is chargeable under section 22 of the Finance Act 1975 and, under subsection (5) of that section, a value falls to be included in respect of the settled property, then.—

- (a) if that value is the principal value of the property, paragraphs 6 and 9 above shall apply as if that person had been entitled to the life interest at his death ; and
- (b) if that value is a value reduced by any percentage under paragraph 3 of Part II of Schedule 17 to the Finance Act 1969 or paragraph 3 of Part II of Schedule 1 to the Finance Act (Northern Ireland) 1969”.

*The Land Charges Act 1972*

- 18 (1) The Land Charges Act 1972 shall be amended as follows.
- (2) In section 2(4)(ii), for the words " the Finance Act 1894 or " there shall be substituted the words
- “Part III of the Finance Act 1975 or under”,
- and for the words " death duties " there shall be substituted the words
- “capital transfer tax”.
- (3) In section 2(5)(i), for the words from " any enactment" to " 1926 " there shall be substituted the words
- “Part III of the Finance Act 1975 (capital transfer tax)”.
- (4) In section 3(6), for the word " duties " there shall be substituted the word
- “tax”.
- (5) In section 4(6), after the words "money's worth" there shall be inserted the words " (or, in the case of an Inland Revenue charge, a purchaser within the meaning of Part III of the Finance Act 1975)".
- (6) In section 17(1), for the words " ' will' and ' death duties'" there shall be substituted the words
- “and ~ will”.

*The Finance Act 1974*

- 19 (1) Schedule 1 to the Finance Act 1974 shall be amended as follows.

- (2) In paragraph 17(1)(a), for the words following " confirmation " there shall be substituted the words

“capital transfer tax payable on the delivery of the personal representatives' account and attributable to the value of personal property to which the deceased was beneficially entitled immediately before his death and which vests in the personal representatives or would vest in them if the property were situated in the United Kingdom ; or”.

- (3) For paragraph 20 there shall be substituted the following paragraph:—

“**20** Sufficient evidence of the amount of capital transfer tax paid as mentioned in paragraph 17(1)(a) above and of any statements relevant to its computation may be given by the production of a document purporting to be a certificate from the Board.”

- (4) In paragraph 21, for sub-paragraph (a) there shall be substituted the following sub-paragraph:—

“(a) references to capital transfer tax include any interest payable on that tax ; and”.

*The Inheritance (Family Provision) Act (Northern Ireland) 1960*

- 20 (1) In section 5(1) of the Inheritance (Family Provision) Act (Northern Ireland) 1960, for the words " estate duty " there shall be substituted the words

“capital transfer tax”.

- (2) In section 9(1) of that Act, in the definition of " net estate ", for the words " estate duty " there shall be substituted the words

“capital transfer tax”.

*The Land Registration Act (Northern Ireland) 1970*

- 21 In Schedule 6 to the Land Registration Act (Northern Ireland) 1970 the following paragraph shall be added at the end of Part II—

“Registration of Inland Revenue charge

- 7 Notwithstanding anything in paragraph 3 above, the registering authority may, upon the application of the Board of Inland Revenue and without the concurrence of the registered owner or an order of the court, register an Inland Revenue charge (within the meaning of Part III of the Finance Act 1975) as a Schedule 6 burden affecting the land or any interest therein subject to that charge.”.