

## SCHEDULE 4

### ADMINISTRATION AND COLLECTION OF CAPITAL TRANSFER TAX

#### *Payment of tax by instalments*

- 14 (1) Where any of the tax payable on the value transferred by a chargeable transfer made on death is attributable to the net value of a business or of an interest in a business, the tax so attributable may, if the person paying the tax by notice in writing to the Board so elects, be paid at his option either by eight equal yearly instalments or by sixteen equal half-yearly instalments, of which the first shall be payable six months after the end of the month in which the death occurred ; and interest under paragraph 19 below on the unpaid portion of the tax shall be added to each instalment and paid accordingly, except as otherwise provided in paragraph 16 below.
- (2) For the purposes of this paragraph the net value of a business is the value of the assets used in the business (including goodwill) reduced by the aggregate amount of any liabilities incurred for the purposes of the business ; and in ascertaining for the purposes of this paragraph the value of an interest in a business, no regard shall be had to assets or liabilities other than those by reference to which the net value of the business would have fallen to be ascertained under this paragraph if the tax had been attributable to the entire business.
- (3) Sub-paragraph (4) of paragraph 13 above applies in relation to this paragraph and any business or interest in a business as it applies in relation to that paragraph and the land, shares or securities mentioned therein ; and—
- (a) in the application of that sub-paragraph to a business, the sale of an interest or part of an interest in the business shall be treated as a sale of part of the business; and
- (b) in its application to an interest in a business, the payment, under a partnership agreement or otherwise, of any sum in satisfaction of the whole or any part of the interest otherwise than on a sale shall be treated as a sale of that interest or part at the time of payment.
- (4) The preceding provisions of this paragraph shall apply also in relation to a chargeable transfer made otherwise than on death, if either—
- (a) the tax attributable as mentioned in sub-paragraph (1) above is borne by the person benefiting from the transfer, or
- (b) the transfer is made under paragraph 4, 6(2), 12 or 15 of Schedule 5 to this Act and the business or interest to the value of which the tax is attributable continues to be comprised in the settlement;
- and shall then apply subject to the modifications mentioned in sub-paragraph (5) below.
- (5) Where sub-paragraphs (1) to (3) above apply by virtue of sub-paragraph (4) above they shall apply as if—
- (a) references to the time six months after the end of the month in which the death occurred were references to the time when the tax would be due if it were not payable by instalments ; and
- (b) references to the business or an interest in the business being sold—
- (i) in a case within sub-paragraph (4)(a), included a reference to any chargeable transfer in which the value transferred is wholly or partly

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*Status: This is the original version (as it was originally enacted).*

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attributable to the value of the business or interest other than a transfer made on death ; and

(ii) in a case within sub-paragraph (4)(b), were a reference to the business or interest ceasing to be comprised in the settlement.

(6) In this paragraph " business " includes a business carried on in the exercise of a profession or vocation, but does not include a business carried on otherwise than for gain.