



Finance Act 1975

1975 CHAPTER 7

PART III

CAPITAL TRANSFER TAX

Reliefs and related provisions

33 Amount and effect of charge under section 32

- (1) The following provisions of this section shall have effect where, under section 31 of this Act, the value of any object has been left out of account in determining the value transferred by the transfer of value made on the death of any person (in this section referred to as the value transferred on death) and tax becomes chargeable with respect to the object under section 32 of this Act by reason of the disposal of the object or the non-observance of an undertaking (in this section referred to as a chargeable event).
- (2) If the chargeable event occurs within three years of the death—
 - (a) the value of the object (at the time of the death) shall no longer be left out of account, and tax shall be chargeable on the value transferred on death as if section 31 of this Act had never applied to the object; and
 - (b) the tax chargeable under section 32 of this Act with respect to the object shall be so much of the tax chargeable on the value transferred on death as is attributable to the value restored under this subsection.
- (3) If the chargeable event occurs more than three years after the death, the tax chargeable under section 32 of this Act with respect to the object shall be so much of the tax that would have been chargeable on the value transferred on death as would have been attributable to the value of the object if—
 - (a) section 31 of this Act had not applied to the object; and
 - (b) the value of the object at the time of the death had been equal to its value at the time of the chargeable event and, if the chargeable event was a disposal on sale, that value had been equal to the proceeds of sale.
- (4) Where—

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- (a) under section 31 of this Act the value of two or more objects has been left out of account in determining the value transferred on death ; and
- (b) those objects formed a set at the time of the death ; and
- (c) tax becomes chargeable under section 32 of this Act with respect to two or more of the objects by reason of chargeable events occurring at different times;

then, subject to subsection (5) below, the preceding provisions of this section shall apply as if both or all the chargeable events had occurred at the time of the earlier or earliest one, and the tax chargeable with respect to the objects and (where necessary) the tax chargeable on the value transferred on death shall be adjusted accordingly on the occurrence of each of the subsequent chargeable events.

- (5) Subsection (4) above does not apply with respect to two or more chargeable events which are disposals to different persons who are neither acting in concert nor connected with each other.