



Finance Act 1981

1981 CHAPTER 35

PART IV

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER II

RELIEF FOR INVESTMENT IN NEW CORPORATE TRADES

64 Capital gains tax

- (1) The sums allowable as deductions from the consideration in the computation for the purposes of capital gains tax of the gain or loss accruing to an individual on the disposal of shares in respect of which any relief has been given and not withdrawn shall be reduced—
 - (a) where paragraph (b) below does not apply, by an amount equal to one-half of the amount of the relief ;
 - (b) where those sums exceed the consideration, by an amount equal to—
 - (i) the whole amount of the relief ; or
 - (ii) the excess,whichever is the less ;but the foregoing provisions of this subsection shall not apply to a disposal falling within section 44(1) of the Capital Gains Tax Act 1979 (disposals between husband and wife).
- (2) Section 65 of the said Act of 1979 (pooling of shares etc.) shall not apply to shares in respect of which any relief has been given and not withdrawn; and any question whether a disposal relates to such shares or to other shares shall for the purposes of capital gains tax be determined as for the purposes of section 57 above.
- (3) Where an individual holds ordinary shares in a company and the relief has been given in respect of some but not others, then, if there is within the meaning of section 77 of the said Act of 1979 a reorganisation affecting those shares, section 78 of that Act

***Status:** This is the original version (as it was originally enacted). This item of legislation is currently only available in its original format.*

shall apply separately to the shares in respect of which the relief has been given and to the other shares (so that the shares of each kind are treated as a separate holding of original shares and identified with a separate new holding).

- (4) There shall be made all such adjustments of capital gains tax, whether by way of assessment or by way of discharge or repayment of tax, as may be required in consequence of the relief being given or withdrawn.