SCHEDULE 4

MAINTENANCE FUNDS FOR HISTORIC BUILDINGS, ETC.

Modifications etc. (not altering text)

C1 *By* Finance Act 1985 s. 95,*the functions of the Treasury were transferred to the Commissioners of Inland Revenue* (*"the Board"*).

PART II

PROPERTY LEAVING MAINTENANCE FUNDS

Exceptions from charge

9 (1) Tax shall not be charged under paragraph 8 above in respect of property which, within the permitted period after the occasion on which tax would be chargeable under that paragraph, becomes comprised in another settlement as a result of a transfer of value which is exempt under section 27 of this Act.

(2) In sub-paragraph (1) above "the permitted period" means the period of thirty days except in a case where the occasion referred to is the death of the settlor, and in such a case means the period of two years.

(3) Sub-paragraph (1) above shall not apply to any property if the person who makes the transfer of value has acquired it for a consideration in money or money's worth; and for the purposes of this sub-paragraph a person shall be treated as acquiring any property for such consideration if he becomes entitled to it as a result of transactions which include a disposition for such consideration (whether to him or another) of that or other property.

(4) If the amount on which tax would be charged apart from sub-paragraph (1) above in respect of any property exceeds the value of the property immediately after it becomes comprised in the other settlement (less the amount of any consideration for its transfer received by the person who makes the transfer of value), that sub-paragraph shall not apply but the amount on which tax is charged shall be equal to the excess.

(5) The reference in sub-paragraph (4) above to the amount on which tax would be charged is a reference to the amount on which it would be charged apart from—

(a) section 70(5)(b) of this Act (as applied by paragraph 8(3) above), and

(b) Chapters I and II of Part V of this Act;

and the reference in that sub-paragraph to the amount on which tax is charged is a reference to the amount on which it would be charged apart from section 70(5)(b) and those Chapters.

10 (1) Tax shall not be charged under paragraph 8 above in respect of property which ceases to be property to which that paragraph applies on becoming—

(a) property to which the settlor or his spouse [F1 or civil partner] is beneficially entitled, or

(b) property to which the settlor's widow or widower **[**F2or surviving civil partner**]** is beneficially entitled if the settlor has died in the two years preceding the time when it becomes such property.

(2) If the amount on which tax would be charged apart from sub-paragraph (1) above in respect of any property exceeds the value of the property immediately after it becomes property of a description specified in paragraph (a) or (b) of that sub-paragraph (less the amount of any consideration for its transfer received by the trustees), that sub-paragraph shall not apply but the amount on which tax is charged shall be equal to the excess.

(3) The reference in sub-paragraph (2) above to the amount on which tax would be charged is a reference to the amount on which it would be charged apart from—

(a) section 70(5)(b) of this Act (as applied by paragraph 8(3) above), and

(b) Chapters I and II of Part V of this Act;

and the reference in sub-paragraph (2) above to the amount on which tax is charged is a reference to the amount on which it would be charged apart from section 70(5)(b) and those Chapters.

(4) Sub-paragraph (1) above shall not apply in relation to any property if, at or before the time when it becomes property of a description specified in paragraph (a) or (b) of that sub-paragraph, an interest under the settlement in which the property was comprised immediately before it ceased to be property to which paragraph 8 above applies is or has been acquired for a consideration in money or money's worth by the person who becomes beneficially entitled.

(5) For the purposes of sub-paragraph (4) above a person shall be treated as acquiring an interest for a consideration in money or money's worth if he becomes entitled to the interest as a result of transactions which include a disposition for such consideration (whether to him or to another person) of that interest or of other property.

(6) Sub-paragraph (1) above shall not apply in respect of property if it was relevant property before it became (or last became) property to which paragraph 8 above applies and, by virtue of paragraph 16(1) or 17(1) below, tax was not chargeable (or, but for paragraph 16(2) or 17(4), would not have been chargeable) under section 65 of this Act in respect of its ceasing to be relevant property before becoming (or last becoming) property to which paragraph 8 above applies.

(7) Sub-paragraph (1) above shall not apply in respect of property if—

(a) before it last became property to which paragraph 8 above applies it was comprised in another settlement in which it was property to which that paragraph applies, and

(b) it ceased to be comprised in the other settlement and last became property to which that paragraph applies in circumstances such that by virtue of paragraph 9(1) above there was no charge (or, but for paragraph 9(4), there would have been no charge) to tax in respect of it.

(8) Sub-paragraph (1) above shall not apply unless the person who becomes beneficially entitled to the property is domiciled in the United Kingdom at the time when he becomes so entitled.

Textual Amendments

F1 Words in Sch. 4 para. 10(1)(a) inserted (5.12.2005) by The Tax and Civil Partnership Regulations 2005 (S.I. 2005/3229), regs. 1(1), **39(2)(a)**

F2 Words in Sch. 4 para. 10(1)(b) inserted (5.12.2005) by The Tax and Civil Partnership Regulations 2005 (S.I. 2005/3229), regs. 1(1), **39(2)(b)**