



# Finance Act 1989

## 1989 CHAPTER 26

### PART II

#### INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

### CHAPTER III

#### CAPITAL GAINS

##### *Gifts*

#### **124 Relief for gifts**

- (1) Section 79 of the Finance Act 1980 (which gives general relief for gifts and other disposals not at arm's length) shall cease to have effect.
- (2) Schedule 14 to this Act (which extends relief for gifts of business assets, provides relief for gifts on which inheritance tax is chargeable, gifts for political parties, gifts of property of historic interest etc. or works of art and gifts to certain maintenance funds etc., and makes provision for payment of tax by instalments in the case of gifts where relief is not available) shall have effect.
- (3) This section shall have effect in relation to disposals on or after 14th March 1989 (except that it shall not affect the operation of any enactment in relation to such a disposal in a case where the enactment operates in consequence of relief having been given under section 79 of the Finance Act 1980 in respect of a disposal made before that date).

#### **125 Gifts to housing associations**

- (1) The following section shall be inserted in the Capital Gains Tax Act 1979 after section 146—

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*Status: This is the original version (as it was originally enacted).*

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**“146A Gifts to housing associations**

- (1) Subsection (2) below shall apply where—
    - (a) a disposal of an estate or interest in land in the United Kingdom is made to a registered housing association otherwise than under a bargain at arm’s length, and
    - (b) a claim for relief under this section is made by the transferor and the association.
  - (2) Section 29A(1) above (consideration deemed to be equal to market value) shall not apply; but if the disposal is by way of gift or for a consideration not exceeding the sums allowable as a deduction under section 32 above, then—
    - (a) the disposal and acquisition shall be treated for the purposes of this Act as being made for such consideration as to secure that neither a gain nor a loss accrues on the disposal, and
    - (b) where, after the disposal, the estate or interest is disposed of by the association, its acquisition by the person making the earlier disposal shall be treated for the purposes of this Act as the acquisition of the association.
  - (3) In this section “registered housing association” means a registered housing association within the meaning of the Housing Associations Act 1985 or Part VII of the Housing (Northern Ireland) Order 1981.”
- (2) This section shall apply to disposals made on or after 14th March 1989.