



# Finance Act 1993

## 1993 CHAPTER 34

### PART IV

#### INHERITANCE TAX

#### **196 Rate bands: no indexation in 1993**

The Table substituted by section 72(1) of the Finance (No.2) Act 1992 shall apply to chargeable transfers made in the year beginning 6th April 1993, and accordingly section 8(1) of the Inheritance Tax Act 1984 (indexation of rate bands) shall not apply to such transfers.

#### **197 Rate bands: indexation for 1994 onwards**

- (1) In section 8 of the Inheritance Tax Act 1984 (indexation of rate bands)—
  - (a) in subsection (1) for “December in 1984” there shall be substituted “September in 1993” and for “previous December” there shall be substituted “previous September”;
  - (b) in subsection (3) for “December” there shall be substituted “September”;
  - (c) in subsection (4) for “1985” there shall be substituted “1994”.
- (2) This section shall apply in relation to chargeable transfers made on or after 6th April 1994.

#### **198 Fall in value relief: qualifying investments**

- (1) In the Inheritance Tax Act 1984, in Part VI (valuation) in Chapter III (sale of shares etc. from deceased’s estate) there shall be inserted after section 186—

##### **“186A Cancelled investments**

- (1) Where any qualifying investments comprised in a person’s estate immediately before his death are—

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*Status: This is the original version (as it was originally enacted).*

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- (a) cancelled within the period of twelve months immediately following the date of the death without being replaced by other shares or securities, and
  - (b) held, immediately before cancellation, by the appropriate person, they shall be treated for the purposes of this Chapter as having been sold by the appropriate person for a nominal consideration (one pound) immediately before cancellation.
- (2) Where any qualifying investments are included in the calculation under section 179(1) above by virtue of this section, paragraph (b) of that subsection shall have effect, so far as relating to those investments, with the omission of the words from “or” to the end.

### **186B Suspended investments**

- (1) This section applies to any qualifying investments comprised in a person’s estate immediately before his death in respect of which quotation on a recognised stock exchange or dealing on the Unlisted Securities Market is suspended at the end of the period of twelve months immediately following the date of the death (“the relevant period”).
- (2) Where—
- (a) any qualifying investments to which this section applies are, at the end of the relevant period, held by the appropriate person, and
  - (b) the value on death of those investments exceeds their value at the end of that period,
- they shall be treated for the purposes of this Chapter as having been sold by the appropriate person immediately before the end of that period for a price equal to their value at that time.
- (3) Where any qualifying investments are included in the calculation under section 179(1) above by virtue of this section, paragraph (b) of that subsection shall have effect, so far as relating to those investments, with the omission of the words from “or” to the end.”
- (2) This section shall have effect in relation to deaths occurring on or after 16th March 1992.

## **199 Fall in value relief: interests in land**

- (1) In the Inheritance Tax Act 1984, in Part VI, in Chapter IV (sale of land from deceased’s estate) after section 197 there shall be inserted—

### **“197A Sales in fourth year after death**

- (1) Where an interest in land—
- (a) is comprised in a person’s estate immediately before his death, and
  - (b) is sold by the appropriate person in the fourth year immediately following the date of the death, otherwise than in circumstances in which section 197(1) above has effect,

the interest shall be treated, for the purposes of section 191(1) above, as having been sold within the period of three years immediately following the date of the death.

- (2) Subsection (1) above shall not have effect in relation to an interest if its sale value would exceed its value on death.
  - (3) In determining the period referred to in section 192(1) above, no account shall be taken of the sale of an interest in relation to which subsection (1) above has effect; and if the claim relates only to such interests, section 192 shall not apply in relation to the claim.
  - (4) In applying section 196(1) above, no account shall be taken, for the purposes of paragraph (a) of that subsection, of an interest in relation to which subsection (1) above has effect.”
- (2) This section shall have effect in relation to deaths occurring on or after 16th March 1990.

## **200 Appeals: questions as to value of land**

- (1) In section 222 of the Inheritance Tax Act 1984 (appeals against determinations) for subsection (4) there shall be substituted the following subsections—
  - “(4) An appeal on any question as to the value of land in the United Kingdom may be to the appropriate tribunal.
  - (4A) If and so far as the question in dispute on any appeal under this section to the Special Commissioners or the High Court is a question as to the value of land in the United Kingdom, the question shall be determined on a reference to the appropriate tribunal.
  - (4B) In this section “the appropriate tribunal” means—
    - (a) where the land is in England or Wales, the Lands Tribunal;
    - (b) where the land is in Scotland, the Lands Tribunal for Scotland;
    - (c) where the land is in Northern Ireland, the Lands Tribunal for Northern Ireland.”
- (2) In section 242 of that Act (recovery of tax) in subsection (3) for the words “subsection (4)” there shall be substituted the words “subsections (4) to (4B)”.
- (3) This section shall apply in relation to any appeal which—
  - (a) is made on or after the day on which this Act is passed, or
  - (b) is made, but has not begun to be heard, before that day.