



# Finance Act 1997

## 1997 CHAPTER 16

### PART VI

#### INHERITANCE TAX

#### 94 Agricultural property relief

After section 124B of the Inheritance Tax Act 1984 there shall be inserted the following section—

##### **“124C Land in habitat schemes**

- (1) For the purposes of this Chapter, where any land is in a habitat scheme—
  - (a) the land shall be regarded as agricultural land;
  - (b) the management of the land in accordance with the requirements of the scheme shall be regarded as agriculture; and
  - (c) buildings used in connection with such management shall be regarded as farm buildings.
- (2) For the purposes of this section land is in a habitat scheme at any time if—
  - (a) an application for aid under one of the enactments listed in subsection (3) below has been accepted in respect of the land; and
  - (b) the undertakings to which the acceptance relates have neither been terminated by the expiry of the period to which they relate nor been treated as terminated.
- (3) Those enactments are—
  - (a) regulation 3(1) of the Habitat (Water Fringe) Regulations 1994;
  - (b) the Habitat (Former Set-Aside Land) Regulations 1994;
  - (c) the Habitat (Salt-Marsh) Regulations 1994;
  - (d) the Habitats (Scotland) Regulations 1994, if undertakings in respect of the land have been given under regulation 3(2)(a) of those Regulations;

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*Status: This is the original version (as it was originally enacted).*

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- (e) the Habitat Improvement Regulations (Northern Ireland) 1995, if an undertaking in respect of the land has been given under regulation 3(1)(a) of those Regulations.
- (4) The Treasury may by order made by statutory instrument amend the list of enactments in subsection (3) above.
- (5) The power to make an order under subsection (4) above shall be exercisable by statutory instrument subject to annulment in pursuance of a resolution of the House of Commons.
- (6) This section has effect—
  - (a) in relation to any transfer of value made on or after 26th November 1996; and
  - (b) in relation to transfers of value made before that date, for the purposes of any charge to tax, or to extra tax, which arises by reason of an event occurring on or after 26th November 1996.”