
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2006, Section 15. (See end of Document for details)

SCHEDULES

SCHEDULE 20

INHERITANCE TAX: RULES FOR TRUSTS ETC

PART 3

RELATED AMENDMENTS IN IHTA 1984

Non-aggregation with deceased person's estate of property in which he had interest in possession if property reverts to settlor or passes to settlor's spouse or civil partner etc

- 15 (1) Section 54 of IHTA 1984 (exceptions from charge on death) is amended as follows.
- (2) After subsection (2) insert—
- “(2A) Where a person becomes beneficially entitled on or after 22nd March 2006 to an interest in possession in settled property, subsections (1) and (2) above apply in relation to the interest only if it is—
- (a) a disabled person's interest, or
 - (b) a transitional serial interest.
- (2B) Where—
- (a) a person (“B”) becomes beneficially entitled on or after 22nd March 2006 to an interest in possession in settled property,
 - (b) B dies,
 - (c) the interest in possession, throughout the period beginning with when B becomes beneficially entitled to it and ending with B's death, is an immediate post-death interest,
 - (d) the settlor died before B's death but less than two years earlier, and
 - (e) on B's death, the settlor's widow or widower, or surviving civil partner, becomes beneficially entitled to the settled property and is domiciled in the United Kingdom,
- the value of the settled property shall be left out of account in determining for the purposes of this Act the value of B's estate immediately before his death.”
- (3) In subsection (3) (section 53(5) and (6) apply in relation to subsections (1) and (2))—
- (a) for “(1) and (2)” substitute “ (1), (2) and (2B) ”, and
 - (b) at the end add “ , but as if the reference in section 53(5)(a) above to section 53(4)(b) above were to subsection (2)(b) or (2B) above. ”

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 2006, Section 15.