
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2012, Cross Heading: IHTA 1984. (See end of Document for details)

SCHEDULES

SCHEDULE 14

GIFTS TO THE NATION

PART 5

RELATED CHANGES

IHTA 1984

- 26 IHTA 1984 is amended as follows.
- 27 In section 25 (gifts for national purposes etc), after subsection (2) insert—
- “(3) A transfer of value is an exempt transfer to the extent that the value transferred by it is attributable to property that is being transferred in the circumstances described in paragraph 1 of Schedule 14 to the Finance Act 2012 (gifts to the nation).”
- 28 In section 26A (potentially exempt transfer of property subsequently held for national purposes etc), in paragraph (b), after “below” insert “ or in the circumstances described in paragraph 1 of Schedule 14 to the Finance Act 2012 (gifts to the nation) ”.
- 29 (1) Section 32 (conditionally exempt transfers: chargeable events) is amended as follows.
- (2) In subsection (3), for “subsections (4) and (5)” substitute “ subsections (4), (4A) and (5) ”.
- (3) After subsection (4) insert—
- “(4A) A death or disposal is not a chargeable event with respect to any property if—
- (a) in the case of a death, a person who became beneficially entitled to the property on the death disposes of it in the circumstances described in paragraph 1 of Schedule 14 to the Finance Act 2012 (gifts to the nation) within 3 years of the death, or
- (b) in the case of a disposal, the disposal is made in the circumstances described in paragraph 1 of that Schedule,
- and a death or disposal of the property after such a disposal as is mentioned in paragraph (a) or (b) is not a chargeable event with respect to the property unless there has again been a conditionally exempt transfer of it after that disposal.”
- 30 (1) Section 32A (associated properties) is amended as follows.
- (2) After subsection (5) insert—

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“(5A) The death of a person beneficially entitled to property, or the disposal of property, is not a chargeable event if—

- (a) in the case of a death, a person who became beneficially entitled to the property on the death disposes of it in the circumstances described in paragraph 1 of Schedule 14 to the Finance Act 2012 (gifts to the nation) within 3 years of the death, or
- (b) in the case of a disposal, the disposal is made in the circumstances described in paragraph 1 of that Schedule.”

(3) In subsection (7), after “(5)(a) or (b)” insert “ or (5A)(a) or (b) ”.

- 31 In section 33 (amount of charge under section 32), in subsection (6)—
- (a) for “section 32(4)” substitute “ section 32(4) or (4A) ”, and
 - (b) for “section 32A(5)”, in both places it appears, substitute “ section 32A(5) or (5A) ”.
- 32 In section 34 (reinstatement of transferor's cumulative total), in subsection (4)—
- (a) for “section 32(4)” substitute “ section 32(4) or (4A) ”, and
 - (b) for “section 32A(5)”, in both places it appears, substitute “ section 32A(5) or (5A) ”.

[^{F1}32A(1) This paragraph applies where a person (“the donor”) makes a qualifying gift of an object in circumstances where, had the donor instead sold the object to an individual at market value, a charge to estate duty would have arisen under section 40 of FA 1930 on the proceeds of sale.

(2) At the time when the gift is made, estate duty becomes chargeable under that section as if the gift were such a sale (subject to any limitation imposed by paragraph 33(2)).

(3) In the application of this paragraph to Northern Ireland, the references to section 40 of FA 1930 are to be read as references to section 2 of the Finance Act (Northern Ireland) 1931.]

Textual Amendments

F1 Sch. 14 para. 32A inserted (17.7.2014) by Finance Act 2014 (c. 26), s. 118(1)

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