



Finance Act 2013

2013 CHAPTER 29

PART 4

EXCISE DUTIES AND OTHER TAXES

Inheritance tax

177 Election to be treated as domiciled in United Kingdom

- (1) IHTA 1984 is amended as follows.
- (2) In section 267 (persons treated as domiciled in United Kingdom), at the end insert—
 - “(5) In determining for the purposes of this section whether a person is, or at any time was, domiciled in the United Kingdom, sections 267ZA and 267ZB are to be ignored.”
- (3) After that section insert—

“267ZA Election to be treated as domiciled in United Kingdom

- (1) A person may, if condition A or B is met, elect to be treated for the purposes of this Act as domiciled in the United Kingdom (and not elsewhere).
- (2) A person's personal representatives may, if condition B is met, elect for the person to be treated for the purposes of this Act as domiciled in the United Kingdom (and not elsewhere).
- (3) Condition A is that, at any time on or after 6 April 2013 and during the period of 7 years ending with the date on which the election is made, the person had a spouse or civil partner who was domiciled in the United Kingdom.
- (4) Condition B is that a person (“the deceased”) dies and, at any time on or after 6 April 2013 and within the period of 7 years ending with the date of death, the deceased was—

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- (a) domiciled in the United Kingdom, and
 - (b) the spouse or civil partner of the person who would, by virtue of the election, be treated as domiciled in the United Kingdom.
- (5) An election under this section does not affect a person's domicile for the purposes of section 6(2) or (3) or 48(4).
- (6) An election under this section is to be ignored—
 - (a) in interpreting any such provision as is mentioned in section 158(6), and
 - (b) in determining the effect of any qualifying double taxation relief arrangements in relation to a transfer of value by the person making the election.
- (7) For the purposes of subsection (6)(b) a qualifying double taxation relief arrangement is an arrangement which is specified in an Order in Council made under section 158 before the coming into force of this section (other than by way of amendment by an Order made on or after the coming into force of this section).
- (8) In determining for the purposes of this section whether a person making an election under this section is or was domiciled in the United Kingdom, section 267 is to be ignored.

267ZB Section 267ZA: further provision about election

- (1) For the purposes of this section—
 - (a) references to a lifetime election are to an election made by virtue of section 267ZA(3), and
 - (b) references to a death election are to an election made by virtue of section 267ZA(4).
- (2) A lifetime or death election is to be made by notice in writing to HMRC.
- (3) A lifetime or death election is treated as having taken effect on a date specified, in accordance with subsection (4), in the notice.
- (4) The date specified in a notice under subsection (3) must—
 - (a) be 6 April 2013 or a later date,
 - (b) be within the period of 7 years ending with—
 - (i) in the case of a lifetime election, the date on which the election is made, or
 - (ii) in the case of a death election, the date of the deceased's death, and
 - (c) meet the condition in subsection (5).
- (5) The condition in this subsection is met by a date if, on the date—
 - (a) in the case of a lifetime election—
 - (i) the person making the election was married to, or in a civil partnership with, the spouse or civil partner, and
 - (ii) the spouse or civil partner was domiciled in the United Kingdom, or
 - (b) in the case of a death election—

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- (i) the person who is, by virtue of the election, to be treated as domiciled in the United Kingdom was married to, or in a civil partnership with, the deceased, and
 - (ii) the deceased was domiciled in the United Kingdom.
- (6) A death election may only be made within 2 years of the death of the deceased or such longer period as an officer of Revenue and Customs may in the particular case allow.
- (7) Subsection (8) applies if—
 - (a) a lifetime or death election is made,
 - (b) a disposition is made, or another event occurs, during the period beginning with the time when the election is treated by virtue of subsection (3) as having taken effect and ending at the time when the election is made, and
 - (c) the effect of the election being treated as having taken effect at that time is that the disposition or event gives rise to a transfer of value.
- (8) This Act applies with the following modifications in relation to the transfer of value—
 - (a) subsections (1) and (6)(c) of section 216 have effect as if the period specified in subsection (6)(c) of that section were the period of 12 months from the end of the month in which the election is made, and
 - (b) sections 226 and 233 have effect as if the transfer were made at the time when the election is made.
- (9) A lifetime or death election cannot be revoked.
- (10) If a person who made an election under section 267ZA(1) is not resident in the United Kingdom for the purposes of income tax for a period of four successive tax years beginning at any time after the election is made, the election ceases to have effect at the end of that period.”

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- Sch. 43C para. 8(5)(e) and word inserted by [2021 c. 26 Sch. 27 para. 42\(b\)\(ii\)](#)
- Sch. 43C para. 8(6)(a)(iv) and word inserted by [2021 c. 26 Sch. 27 para. 42\(c\)\(i\)\(b\)](#)
- Sch. 43C para. 8(6)(b)(iv) and word inserted by [2021 c. 26 Sch. 27 para. 42\(c\)\(ii\)\(b\)](#)
- Sch. 43C para. 8(6)(c)(iv) and word inserted by [2021 c. 26 Sch. 27 para. 42\(c\)\(iii\)\(b\)](#)
- Sch. 43C para. 8(6)(d)(iv) words substituted by [2021 c. 26 Sch. 27 para. 42\(c\)\(iv\)\(b\)](#)