Finance Act 2019

2019 CHAPTER 1

PART 2

OTHER TAXES

Inheritance tax

66 Residence nil-rate band

(1) IHTA 1984 is amended as follows.

(2) In section 8FA(2)(b) and (5) (conditions for entitlement to downsizing addition), for "VT", in each place it occurs, substitute " the value transferred by the transfer of value under section 4 on the person's death ".

(3) In section 8FE(9) (calculation of downsizing addition in section 8FA cases), in Step 2, for "VT" substitute " the value transferred by the transfer of value under section 4 on the person's death ".

(4) In section 8E(1) (which, in relation to the person mentioned in section 8D(1), refers to the transfer of value under section 4), after "section 4" insert " on the person's death ".

(5) In section 8J(6) (meaning of "inherited": property disposed of before death by gift subject to a reservation), for the words after "by way of" substitute "gift—

(a) subsections (2) to (5) do not apply, and

(b) B inherits the property if the property originally comprised in the gift became comprised in B's estate on the making of the disposal."

(6) The amendments made by this section apply for the purpose of calculating the amount of the charge to inheritance tax under section 4 of IHTA 1984 on a person's death if the person dies after 29 October 2018.

Changes to legislation:
There are currently no known outstanding effects for the Finance Act 2019, Section 66.