



# 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.