



Finance Act 1962

1962 CHAPTER 44

PART III

ESTATE DUTY

27 Small estates

- (1) The scale of rates of estate duty set out in the Seventh Schedule to the Finance Act, 1949, shall have effect, as respects deaths occurring on or after the tenth day of April, nineteen hundred and sixty-two, with the substitution for the entries relating to estates of a principal value not exceeding seven thousand five hundred pounds (being in part entries substituted by section thirty-two of the Finance Act, 1954) of the following entries:—

<i>“Principal value of estate</i>	<i>Rate per cent. of duty</i>
Not exceeding £4,000	Nil
Exceeding £4,000 and not exceeding £5,000	1
Exceeding £5,000 and not exceeding £6,000	2
Exceeding £6,000 and not exceeding £7,500	3”.

- (2) As respects deaths so occurring, in subsection (1) of section thirty-eight of the Finance Act, 1949 (which, among other things, exonerates from land tax land comprised on a death in an estate of a principal value less than two thousand pounds), for the reference to two thousand pounds there shall be substituted a reference to the amount below which the rate of estate duty under the scale in force for the death is nil.

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28 Property situate out of Great Britain

- (1) In the case of persons dying after the commencement of this Act, subsection (2) of section twenty-eight of the Finance Act, 1949 (which specifies the cases in which property situate out of Great Britain is excluded from the property treated for purposes of estate duty as passing on the death of a person), shall have effect with the omission of paragraph (c) thereof (which provides for the exclusion of immovable property); and in the case of persons so dying the enactments relating to estate duty shall have effect subject to the further modifications specified in subsections (2) to (5) below:

Provided that—

- (a) the property passing on the death of a person so dying shall not by virtue of a disposition or event occurring before the tenth day of April, nineteen hundred and sixty-two, being a relevant disposition or event within the meaning of section sixty-four of the Finance Act, 1960 (which relates to gifts inter vivos, etc.), be deemed to include any property—
- (i) which would not be deemed by virtue of that disposition or event to pass on the death if subsection (2) of the said section twenty-eight then had effect as originally enacted; and
 - (ii) which is, or directly or indirectly represents, property that would not have been so deemed to pass if the death had occurred on the said tenth day of April;
- (b) where an interest in expectancy in any property was before the said tenth day of April bona fide sold or mortgaged for full consideration in money or money's worth, then—
- (i) no other duty on that property shall be payable by the purchaser or mortgagee when the interest falls into possession than would be payable if subsection (2) of the said section twenty-eight then had effect as originally enacted; and
 - (ii) in the case of a mortgage any higher duty payable by the mortgagor shall rank as a charge subsequent to that of the mortgagee.

Subsection (1) of section fifty-six of the Finance Act, 1940 (which relates to transactions with companies under the control of not more than five persons), shall apply for the purposes of paragraph (b) above as it applies for the purposes of section three of the Finance Act, 1894.

- (2) Subsection (3) of section eight of the Finance Act, 1894 (which renders the executor accountable for the estate duty in respect of all personal property of which the deceased was competent to dispose at his death), shall have effect as if the reference therein to all personal property wheresoever situate included a reference to all property (of whatever kind) situate out of Great Britain; and subsection (4) of the said section eight (which, where the executor is not accountable for the estate duty, renders beneficiaries and others accountable therefor) shall apply in relation to estate duty on property situate out of Great Britain as if the words referring to the executor not being accountable were omitted.
- (3) Where under subsection (1) of section nine of the Finance Act, 1894, a charge in respect of a rateable part of the estate duty on an estate is imposed on any property situate out of Great Britain, the charge shall extend to assets which form the proceeds of any disposition of the property or otherwise for the time being directly or indirectly represent it; and the proviso to that subsection (which protects a bona fide purchaser

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for value without notice), and any other enactment relating to the charge imposed under that subsection, shall have effect accordingly.

- (4) In relation to property situate out of Great Britain—
- (a) subject to the provisions of this section, references in the enactments relating to estate duty to personal property shall be construed as references to property which is, by the law of the territory in which it is situate, movable property or which consists of an interest or right by way of mortgage or other security, and references in those enactments to real property shall be construed as references to any other property;
 - (b) subsection (3) of section sixty of the Finance (1909-10) Act, 1910 (which provides that an appeal shall not be under section ten of the Finance Act, 1894, on a question of the value of any real (including leasehold) property, but makes other provision as to appeals on such questions), shall not apply ;
 - (c) the proviso to subsection (5) of section seven of the Finance Act, 1894 (which provides for the valuation of certain agricultural property by reference to annual value as assessed for purposes of income tax under Schedule A), and so much of sub-paragraph (7) of paragraph 1 of the Seventh Schedule to the Finance Act, 1940, as requires any value to be calculated by reference to the annual value of land as ascertained for purposes of income tax under Schedule A, shall not apply.
- (5) In subsection (2) of section seven of the Finance Act, 1894 (which, in the valuation of an estate for purposes of estate duty, restricts allowances for foreign debts by reference to the value of personal property abroad), the word " personal" shall be omitted in each place where it occurs.
- (6) So much of subsection (1) of section four of the Government of Ireland Act, 1920, as precludes the Parliament of Northern Ireland from making laws in respect of matters not exclusively relating to Northern Ireland shall not be taken to preclude that Parliament, in relation to estate duty payable under the laws of Northern Ireland, from making provision with respect to property situate out of Northern Ireland.

29 Double taxation relief

- (1) Where the Commissioners of Inland Revenue are satisfied that in any territory outside the United Kingdom duty is payable by reason of a death occurring on or after the tenth day of April, nineteen hundred and sixty-two, in respect of any property situate in that territory and passing on that death, they shall allow a sum equal to the amount of that duty as a credit against the estate duty payable in respect of that property on the same death unless, under arrangements having effect by virtue of section fifty-four of the Finance (No. 2) Act, 1945, or section five of the Irish Free State (Consequential Provisions) Act, 1922 (Session 2), a credit is allowable in relation to the property against either the estate duty or the duty payable in that territory; and accordingly subsection (4) of section seven of the Finance Act, 1894 (which provides that, in valuing foreign property for purposes of estate duty, an allowance is to be made for the foreign duty), shall not apply as respects deaths so occurring.
- (2) As respects arrangements made on or after the tenth day of April, nineteen hundred and sixty-two, section fifty-four of the Finance (No. 2) Act, 1945, shall have effect in relation to duty imposed under the laws of any territory outside the United Kingdom which is leviable on, or by reference to, death as it has effect in relation to duties of a similar character to estate duty; and anything done before the passing of this Act

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under or by virtue of section seventy-seven of the Finance Act, 1948, shall thereafter have effect as if done under or by virtue of the said section fifty-four.