

1976 No. 2184

CAPITAL TRANSFER TAX

**The Capital Transfer Tax (Relief for Agricultural Property)
(Northern Ireland) Order 1976***Laid before the House of Commons in draft**Made - - - 21st December 1976**Coming into Operation 4th January 1977*

Whereas a draft of this Order was laid before the House of Commons and approved by resolution:

Now, therefore, the Lords Commissioners of Her Majesty's Treasury, in exercise of the power conferred on them by paragraph 9(3) of Schedule 8 to the Finance Act 1975(a), hereby make the following Order:—

1.—(1) This Order may be cited as the Capital Transfer Tax (Relief for Agricultural Property) (Northern Ireland) Order 1976.

(2) This Order shall come into force on 4th January 1977.

2. The Interpretation Act 1889(b) shall apply for the interpretation of this Order as it applies for the interpretation of an Act of Parliament.

3. For the purposes of paragraph 9(3) of Schedule 8 to the Finance Act 1975 the multiplied rental value of agricultural property in Northern Ireland shall be reduced from seven-tenths to fiftyeight-hundredths of its agricultural value.

J. Dormand,

Donald R. Coleman,

Two of the Lords Commissioners
of Her Majesty's Treasury.

21st December 1976.

(a) 1975 c. 7.

(b) 1889 c. 63.

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order prescribes the fraction to be applied in Northern Ireland, under Schedule 8 to the Finance Act 1975, for the purpose of capital transfer tax in respect of chargeable transfers made between 27th March 1974 and 6th April 1976 inclusive: it also applies for the purposes of estate duty in respect of persons dying between 13th November 1974 and 13th March 1975 inclusive.

Schedule 8, as originally enacted, gives relief for qualifying agricultural property by reducing the agricultural value comprised in a chargeable transfer by a fraction based on the multiplied rental value of the agricultural property. In the case of agricultural property in Northern Ireland, paragraph 9 of the Schedule fixes the multiplied rental value at seven-tenths of the agricultural value or such fraction as the Treasury may prescribe. The fraction so prescribed is to be based on the average of reductions made in Great Britain in the last twelve month period for which adequate information is available: if the first fraction so prescribed is less than seven-tenths it is to be deemed, by virtue of paragraph 9 (5) of Schedule 8, always to have had effect.

The average of reductions made in the agricultural value of agricultural property in Great Britain during that twelve month period has been fortytwo-hundredths: accordingly this Order reduces the fraction for agricultural property in Northern Ireland to fiftyeight-hundredths. Any capital transfer tax or estate duty overpaid in consequence of the reduction will be repaid with interest.

By virtue of paragraph 10 of Schedule 8, this Order also applies to chargeable transfers of agricultural property in the Channel Islands and the Isle of Man.

Under Section 55 of the Finance (No. 2) Act 1975 (1975 c.45) relief is given from tax on capital gains accruing on the gift of agricultural property by reference to the reduced value applicable for capital transfer tax purposes. Any reduction in the agricultural value of agricultural property due under this Order will apply for either tax.

SI 1976/2184
ISBN 0-11-062184-0

