

1986 No. 1944

CAPITAL TRANSFER TAX

**The Inheritance Tax and Capital Transfer Tax
(Interest on Unpaid Tax) Order 1986**

<i>Made</i>	- - - - -	13th November 1986
<i>Laid before the House of Commons</i>		18th November 1986
<i>Coming into Operation</i>		16th December 1986

The Treasury, in exercise of the powers conferred on them by section 233 of the Inheritance Tax Act 1984(a), hereby make the following Order:—

1. This Order may be cited as the Inheritance Tax and Capital Transfer Tax (Interest on Unpaid Tax) Order 1986 and shall come into operation on 16th December 1986.

2. The rate prescribed for the purposes of section 233 of the Inheritance Tax Act 1984 (interest on unpaid tax) shall be 8 per cent. per annum and shall apply in each of the cases referred to in paragraphs (a) and (b) of section 233(2).

*Peter Lloyd,
Tim Sainsbury.*

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

13th November 1986.

(a) 1984 c. 51; section 233(1)(c) was amended by section 94 of, and paragraph 11 of Schedule 26 to, the Finance Act 1985 (c. 54). Section 233(2) was amended by section 101(3) of, and paragraph 32 of Schedule 19 to, the Finance Act 1986 (c. 41), with respect to transfers of value made and other events occurring after 17th March 1986. By virtue of section 100(1) and (2) of the Finance Act 1986, on and after 25th July 1986 the Capital Transfer Tax Act 1984 may be cited as the Inheritance Tax Act 1984, and any reference in that Act to capital transfer tax is to have effect as a reference to inheritance tax, except where the reference relates to a liability arising before 25th July 1986.

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order reduces with effect from 16th December 1986 the annual rates of interest on unpaid inheritance tax, or unpaid capital transfer tax where the liability to tax arose before 25th July 1986, payable under section 233 of the Inheritance Tax Act 1984 (formerly the Capital Transfer Tax Act 1984). The annual rate is reduced both in the case of chargeable transfers on death or potentially exempt transfers from 9 per cent., and in other cases from 11 per cent., to a single rate of 8 per cent. The reductions also have effect in relation to repayments of capital transfer tax or inheritance tax since, by virtue of section 235 of the Act, these carry interest at the rate applicable to unpaid tax under section 233. Section 236 of the Act, as amended by paragraph 33 of Schedule 19 to the Finance Act 1986, applies the provisions of section 233 to certain special cases where tax has been overpaid or underpaid.

The previous rates of 9 per cent. and 11 per cent. were imposed with respect to transfers of value made and other events occurring after 17th March 1986 by section 233(2) (as amended by paragraph 32 of Schedule 19 to the Finance Act 1986) and originally in relation to capital transfer tax by S.I. 1985/560 with effect from 1st May 1985. Prior to this date the rates were 6 per cent. and 8 per cent. respectively with effect from 1st December 1982 (S.I. 1982/1585), 9 per cent. and 12 per cent. respectively with effect from 1st January 1980 (S.I. 1979/1688), and 6 per cent. and 9 per cent. respectively prior to 1st January 1980 (paragraph 19 of Schedule 4 to the Finance Act 1975 (c. 7)).

STATUTORY INSTRUMENTS

1986 No. 1945 (C. 70) (S. 145)

COURT OF SESSION, SCOTLAND

SHERIFF COURT, SCOTLAND

**The Law Reform (Miscellaneous Provisions) (Scotland) Act
1985 (Commencement No. 3) Order 1986**

Made - - - - 11th November 1986

In exercise of the powers conferred on me by section 60(3)(b) and (5) of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1985(a) and of all other powers enabling me in that behalf, I hereby make the following order:-

1. This order may be cited as the Law Reform (Miscellaneous Provisions) (Scotland) Act 1985 (Commencement No. 3) Order 1986.

2. Sections 14, 15 and 19 of, and paragraphs 8, 12, 13 and 24 of Schedule 2 to, the Law Reform (Miscellaneous Provisions) (Scotland) Act 1985 and so much of section 59(1) of that Act as relates to these paragraphs shall come into force on 8th December 1986.

Cameron of Lochbroom,
Lord Advocate.

Lord Advocate's Chambers,
11th November 1986.

EXPLANATORY NOTE

(This Note is not part of the Order.)

This order brings into force on 8th December 1986 the following provisions of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1985 relating to civil jurisdiction and procedure:-

- (a) Section 14 (remit from Court of Session to sheriff);
- (b) Section 15 (withdrawal of privilege against self-incrimination in certain proceedings relating to intellectual property);
- (c) Section 19 (disclosure of names of witnesses and of potential witnesses and defenders, extending the scope of section 1 of the Administration of Justice (Scotland) Act 1972 (c.59));
- (d) Paragraphs 8, 12, 13 and 24 of Schedule 2 and so much of section 59(1) as relates to these paragraphs (amendments relating to expenses, appointments and procedure).

NOTE AS TO EARLIER COMMENCEMENT ORDERS

(This Note is not part of the Order.)

The following provisions of the Act have been brought into force by commencement orders made before the date of this order:-

<i>Provision</i>	<i>Date of Commencement</i>	<i>S.I. No.</i>
Section 35	1st January 1986	1985/1908
Section 36	1st January 1986	1985/2055
Section 50	1st February 1986	1985/1908