

1987 No. 435

INHERITANCE TAX

The Inheritance Tax (Indexation) Order 1987

Made - - - - 17th March 1987

The Treasury, in pursuance of section 8(4) of the Inheritance Tax Act 1984(a), hereby make the following Order:

1. This Order may be cited as the Inheritance Tax (Indexation) Order 1987.
2. The amounts which, unless Parliament otherwise determines, shall be treated by virtue of section 8 of the Inheritance Tax Act 1984 as specified in the Table in Schedule 1 to that Act(b) in relation to chargeable transfers on or after 6th April 1987 are as follows –

Table of Rates of Tax

<i>Portion of value</i>		<i>Rate of Tax</i>
<i>Lower Limit</i>	<i>Upper Limit</i>	<i>Per cent.</i>
£	£	
0	74,000	Nil
74,000	99,000	30
99,000	134,000	35
134,000	171,000	40
171,000	214,000	45
214,000	267,000	50
267,000	329,000	55
329,000	–	60

*Tim Sainsbury
Michael Neubert*

17th March 1987

Two of the Lords Commissioners of Her Majesty's Treasury

(a) 1984 c.51: section 8 was amended by section 101(3) of, and Schedule 19 paragraph 3 to, the Finance Act 1986 (c.41) with respect to transfers of value made, and other events occurring, on or after 18th March 1986 subject to Part II of Schedule 19. 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. (b) The Table in Schedule 1 was substituted by section 101(3) of, and Schedule 19 paragraph 36 to, the Finance Act 1986 with respect to transfers of value made, and other events occurring, on or after 18th March 1986 subject to Part II of Schedule 19.

EXPLANATORY NOTE

(This note is not part of the Order)

By this Order, made under the provisions of section 8 of the Inheritance Tax Act 1984 (formerly the Capital Transfer Tax Act 1984) a new Table of rate bands and rates is substituted in Schedule 1 to that Act for the Table which was substituted by the Finance Act 1986. The figures in the first and second columns of the new Table are the amounts specified in the Table in Schedule 1 to the Inheritance Tax Act 1984 (as so substituted) increased by the amount of the percentage increase (3.72%) in the retail prices index for December 1986 over that for December 1985. The figures are rounded upward to the nearest £1,000 in accordance with section 8(2). The "retail prices index" is defined in section 8(3) as "the general index of retail prices (for all items) published by the Department of Employment". The retail prices index for December 1985 is 378.9 and for December 1986 393.0 (based on January 1974 as 100). (Table 6.4 of the Department of Employment Gazette, February 1987.)

The new Table will apply in relation to chargeable transfers on or after 6th April 1987 unless Parliament otherwise determines.

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