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STATUTORY INSTRUMENTS

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**1991 No. 735**

**INHERITANCE TAX**

**The Inheritance Tax (Indexation) Order 1991**

Made - - - - 19th March 1991

The Treasury, in pursuance of section 8(4) of the Inheritance Tax Act 1984(1), hereby make the following Order:

1. This Order may be cited as the Inheritance Tax (Indexation) Order 1991.
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(2) in relation to chargeable transfers on or after 6th April 1991 are as follows—

**TABLE OF RATES OF TAX**

Portion of value		Rate of tax
Lower Limit	Upper Limit	Per cent.
£	£	
0	140,000	NIL
140,000	—	40

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- (1) 1984 c. 51; section 8 was amended by section 101(3) of, and paragraph 3 of Schedule 19 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 and by section 136 of, and Part X of Schedule 14 to, the Finance Act 1988 (c. 39) in relation to transfers of value made on or after 15th March 1988. Section 8(1) was disapplied in relation to chargeable transfers made in the year beginning 6th April 1987 by section 57(1) of the Finance Act 1987 (c. 16) and in relation to chargeable transfers made in the year beginning 15th March 1988 by section 136(2) of the Finance Act 1988. Section 8(3) was amended by article 6(4) of, and paragraph 5 of Schedule 2 to, the Transfer of Functions (Economic Statistics) Order 1989 (S.I. 1989/992). 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.
  - (2) The Table in Schedule 1 was substituted by the Inheritance Tax (Indexation) Order 1990 (S.I. 1990/680) in relation to chargeable transfers on or after 6th April 1990, and by the Inheritance Tax (Indexation) Order 1989 (S.I. 1989/468) in relation to chargeable transfers on or after 6th April 1989. Previously, the Table in that Schedule was substituted by section 136(1) of the Finance Act 1988 with application to any chargeable transfer (within the meaning of the Inheritance Tax Act 1984) made on or after 15th March 1988. Prior to that, the Table was that substituted by section 57(2) of the Finance Act 1987 with respect to transfers of value made and other events occurring, on or after 17th March 1987 and, before that, by section 101(3) of, and paragraph 36 of Schedule 19 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.

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**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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19th March 1991

*Gregory Knight*  
*Nicholas Baker*  
Two of the Lords Commissioners of Her  
Majesty's Treasury

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## EXPLANATORY NOTE

*(This note is not part of the Order)*

This Order, made under the provisions of section 8 of the Inheritance Tax Act 1984 (formerly the Capital Transfer Tax Act 1984) substitutes a new Table of rate bands and rates in Schedule 1 to that Act for the Table which was substituted by the Inheritance Tax (Indexation) Order 1990 (S.I.1990/680). 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 in the retail prices index for December 1990 over that for December 1989. 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 amended by paragraph 5 of Schedule 2 to the Transfer of Functions (Economic Statistics) Order 1989 (S.I. 1989/992), as “the general index of retail prices (for all items) published by the Central Statistical Office of the Chancellor of the Exchequer”. The retail prices index for December 1989 is 118.8 and for December 1990 is 129.9 (based on January 1987 as 100). (Table 6.1 on page S. 58 of the February 1991 number of the Employment Gazette, the official journal of the Department of Employment.)

The new Table will apply in relation to chargeable transfers on or after 6th April 1991 unless Parliament otherwise determines.