

SCHEDULE 2

Article 9

MODIFICATION OF TAX PROVISIONS APPLYING TO LEVY

1. Sections 267 and 268A of the 1970 Act⁽¹⁾ shall not apply for the purposes of section 17 of the 1991 Act and this Order.

2. Subsection (4) of section 21 of the 1979 Act shall apply for the purposes of section 17 of the 1991 Act and this Order as if the reference in it to the inspector were a reference to the appropriate Minister; and subsection (7) of that section shall not apply for those purposes.

3. Section 31(1) of the 1979 Act shall not apply for the purposes of section 17 of the 1991 Act and this Order.

4.—(1) Subject to sub-paragraph (2) below, paragraph (a) of section 32(1) of the 1979 Act shall, in relation to the computation of any gain accruing on the disposal of relevant land or a relevant interest in land (other than land or an interest in land acquired within the levy period), apply for the purposes of section 17 of the 1991 Act and this Order as if that paragraph referred, and referred only, to the market value of the land or interest disposed of for its existing use at the beginning of the levy period, that value being determined in accordance with valuation principles and methods provided for in paragraphs (7) and (8) of article 36 (and in this paragraph “existing use” means the purpose for which the land or interest is used at that time).

(2) This paragraph shall not apply in relation to any relevant land or relevant interest in land where there has, or there is to be regarded as having, been within the levy period a previous disposal of that land or interest from one member of the chargeable company’s group to another member of that group.

5.—(1) In the application, for the purposes of section 17 of the 1991 Act and this Order, of section 32(1) (b) of the 1979 Act there shall, in relation to relevant land and a relevant interest in land, be excluded from the sums allowable thereunder any expenditure incurred before the beginning of the levy period.

(2) Paragraphs (b) and (c) of section 32(1) of the 1979 Act shall apply for the purposes of section 17 of the 1991 Act and this Order as if—

- (a) in paragraph (b) the words “or in the market value” appeared after the words “in the state or nature”; and
- (b) paragraph (c) included a reference to the costs of obtaining a valuation for the purposes of—
 - (i) article 36(5); or
 - (ii) paragraph 6 or 7 of Schedule 3 to this Order.

6. Subsections (1) and (2) of section 33 of the 1979 Act shall not apply for the purposes of section 17 of the 1991 Act and this Order to a sum applied in the manner specified in paragraph (a) or (b) of subsection (1) of section 21 of the 1979 Act or in subsection (3), (4) or (5) of that section.

7. Sections 40(2) and 41(2) of the 1979 Act shall apply for the purposes of section 17 of the 1991 Act and this Order as if the references in those provisions to the inspector were references to the appropriate Minister.

8.—(1) In the application for the purposes of section 17 of the 1991 Act and this Order of subsection (4) of section 43 of the 1979 Act, the words from “and the method of apportionment” to the end of that subsection shall not apply; and, instead, the method of apportionment adopted for the

(1) 1970 c. 10; section 267 was amended by the Finance Act 1990 (c. 29), section 65(1) and (4); and section 268A was inserted by the Finance Act 1977 (c. 36), section 42.

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purposes of any computation under Chapter II of Part II of the 1979 Act as applied for the purposes of section 17 of the 1991 Act and this Order shall, subject to the express provisions of that Chapter as so applied, be such method as appears to the appropriate Minister or, in the event of a dispute, to a referee to be just and reasonable.

(2) The said subsection (4) shall apply as if the words “necessary apportionments” referred to any apportionments which appear to the appropriate Minister or, in the event of a dispute (in which case article 38 shall apply for the purpose of resolving it), to a referee to be necessary for the purposes of this Order.

9. Section 108(4) of the 1979 Act shall apply for the purposes of section 17 of the 1991 Act and this Order as if the words “not being an estate or interest which is a wasting asset” were omitted.

10. Sections 111A and 115 to 121 of the 1979 Act⁽²⁾ shall not apply for the purposes of section 17 of the 1991 Act and this Order.

11. Section 113 of the 1979 Act shall not apply for the purposes of section 17 of the 1991 Act and this Order.

12.—(1) Section 87(2) of the Finance Act 1982⁽³⁾ shall apply for the purposes of section 17 of the 1991 Act and this Order as if in the definition of “RI” there were substituted for the reference to the retail prices index for March 1982 a reference to the retail prices index for the month in which the chargeable company’s levy period begins.

(2) For the avoidance of doubt section 68(4) of the Finance Act 1985⁽⁴⁾ shall not apply for the purposes of section 17 of the 1991 Act and this Order.

13. Sections 96 and 97 of, and Schedules 8 and 9 to, the Finance Act 1988⁽⁵⁾ shall not apply for the purposes of section 17 of the 1991 Act and this Order.

(2) Section 111A was inserted by the Finance Act 1982 (c. 39), section 83.

(3) 1982 c. 39.

(4) 1985 c. 54.

(5) 1988 c. 39.