

## SCHEDULE 5

### HIGHER RATES RESIDENTIAL PROPERTY TRANSACTIONS

#### PART 5

#### SUPPLEMENTARY PROVISIONS

##### *Major interests in dwellings inherited jointly*

- 34 (1) This paragraph applies where by virtue of an inheritance—
- (a) a person (“P”) becomes jointly entitled with one or more other persons to a major interest in a dwelling, and
  - (b) P’s beneficial share in the interest does not exceed 50% (see sub-paragraph (4)).
- (2) P is not to be treated for the purposes of paragraph 5(1)(a) or 15(1)(b) as having the major interest at any time during the period of 3 years beginning with the date of the inheritance.
- (3) But if at any time during that period of 3 years P becomes the only person beneficially entitled to the whole of the interest or P’s beneficial share in the interest exceeds 50% P is, from that time, to be treated as having the major interest for the purposes of the application of paragraphs 5(1)(a) and 15(1)(b) (subject to any disposal by P).
- (4) P’s share in the interest exceeds 50% if—
- (a) P is beneficially entitled as a tenant in common or coparcener to more than half the interest,
  - (b) P and P’s spouse or civil partner taken together are beneficially entitled as tenants in common or coparceners to more than half the interest, or
  - (c) P and P’s spouse or civil partner are beneficially entitled as joint tenants to the interest and there is no more than one other joint tenant who is so entitled.
- (5) Sub-paragraph (4)(b) and (c) do not apply if, on the effective date of the transaction referred to in paragraph 5 or 15, P and P’s spouse or civil partner are not living together (for the meaning of “living together”, see paragraph 25(3)).
- (6) In this paragraph “inheritance” means the acquisition of an interest in or towards satisfaction of an entitlement under or in relation to the will of a deceased person, or on the intestacy of a deceased person.
- (7) This paragraph applies in relation to an interest acquired following a person’s death as a result of a variation of a disposition (whether effected by will, under the law relating to intestacy or otherwise) of property comprised in that person’s estate made within the period of 2 years after the person’s death, as it applies in relation to an inheritance; and in such a case the reference in sub-paragraph (2) to the date of the inheritance means the date of the acquisition of the interest in accordance with the variation.