

*Changes to legislation:* There are currently no known outstanding effects for the Finance Act 1974, Cross Heading: Definition of material development. (See end of Document for details)

## SCHEDULES

### [<sup>F1</sup>SCHEDULE 3

#### PROVISIONS SUPPLEMENTARY TO SECTION 38

##### Textual Amendments

- F1** *Sch. 3* Repealed by Finance Act 1985 (c. 54, SIF 63:1), s. 98(6) and Sch. 27 Part X in relation to disposals of interests in land taking place on or after 19 March Finance Act 1985 (c. 54, SIF 63:1), but without affecting the construction of 1979 (C) Sch. 5 para. 9(5).

### PART I

#### DEFINITIONS OF CURRENT USE VALUE, MATERIAL DEVELOPMENT, ETC.

##### *Definition of material development*

- 6 *In this Schedule, subject to the following paragraph, “material development”, in relation to any land, means the making of any change in the state, nature or use of the land<sup>F2</sup>.*

##### Textual Amendments

- F2** *See—Development Land Tax Act 1976 (c. 24), s. 36(2)—Development Land Tax—Sch. 3 Part I applied for purposes of that section. Development Land Tax Act 1976 (c. 24) abolished from 19 March Finance Act 1985 (c. 54, SIF 63:1), by Finance Act 1985 (c. 54, SIF 63:1), ss. 93, 98(6) and Sch. 27 Part X. Capital Gains Tax Act 1979 (c. 14, SIF 63:1) Sch. 5 para. 9(5)—definition applied.*

- 7 (1) *The doing of any of the following things in the case of any land shall not be taken for the purposes of this Schedule to involve material development of the land, that is to say—*
- (a) *the carrying out of works for the maintenance, improvement, enlargement or other alteration of any building, so long as the cubic content of the original building is not exceeded by more than one-tenth;*
  - (b) *the carrying out of works for the rebuilding, as often as occasion may require, of any building which was in existence at the relevant time, or of any building which was in existence in the period of ten years immediately preceding the day on which that time falls but was destroyed or demolished before the relevant time, so long as ( in either case) the cubic content of the original building is not exceeded by more than one-tenth;*
  - (c) *the use of any land for the purposes of agriculture or forestry, the use for any of those purposes of any building occupied together with land so used, and the carrying out on any land so used of any building or other operations required for the purposes of that use;*

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- (d) *the carrying out of operations on land for, or the use of land for, the display of an advertisement, announcement or direction of any kind;*
- (e) *the carrying out of operations for, or the use of the land for, car parking, provided that such use shall not exceed three years;*
- (f) *in the case of a building or other land which at the relevant time was used for a purpose falling within any class specified in paragraph 8 below or which, being unoccupied at that time, was last used for any such purpose, the use of that building or land for any other purpose falling within the same class;*
- (g) *in the case of a building or other land which at the relevant time was in the occupation of a person by whom it was used as to part only for a particular purpose, the use for that purpose of any additional part of the building or land not exceeding one-tenth of the cubic content of the part of the building used for that purpose at the relevant time or, as the case may be, one-tenth of the area of the land so used at that time;*
- (h) *in the case of land which at the relevant time was being temporarily used for a purpose other than the purpose for which it was normally used, the resumption of the use of the land for the last-mentioned purpose;*
- (i) *in the case of land which was unoccupied at the relevant time, the use of the land for the purpose for which it was last used before that time.*

(2) *In determining for the purposes of sub-paragraph (1)(a) or (b) above whether or not the cubic content of the original building has been exceeded by more than one-tenth, the cubic content of the building after the carrying out of the works in question shall be treated as reduced by the amount ( if any) by which so much of that cubic content as is attributable to one or more of the matters mentioned in the following sub-paragraph exceeds so much of the cubic content of the original building as was attributable to one or more of the matters so mentioned.*

- (3) *The matters referred to in the preceding sub-paragraph are the following, that is to say—*
- (a) *means of escape in case of fire;*
  - (b) *car-parking or garage space;*
  - (c) *accommodation for plant providing heating, air-conditioning or similar facilities.*

8 *The classes of purposes mentioned in paragraph 7(1)(f) above are the following—*  
*Class A—Use as a dwelling-house or for the purpose of any activities which are wholly or mainly carried on otherwise than for profit, except use for a purpose falling within Class B, C or E.*

*Class B—Use as an office or retail shop.*

*Class C—Use as a hotel, boarding-house or guest-house, or as premises licensed for the sale of intoxicating liquors for consumption on the premises.*

*Class D—Use for the purpose of any activities wholly or mainly carried on for profit, except—*

- (a) *use as a dwelling-house or for the purposes of agriculture or forestry;*  
*and*

- (b) *use for a purpose falling within Class B, C or E.*

*Class E—Use for any of the following purposes, namely—*

- (a) *the carrying on of any process for or incidental to any of the following purposes, namely—*

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- (i) *the making of any article or of any part of any article, or the production of any substance;*
  - (ii) *the altering, repairing, ornamenting, finishing, cleaning, washing, packing or canning, or adapting for sale, or breaking up or demolishing of any article; or*
  - (iii) *without prejudice to (i) or (ii) above, the getting, dressing or treatment of minerals,*  
*being a process carried on in the course of a trade or business other than agriculture or forestry, but excluding any process carried on at a dwelling-house or retail shop;*
- (b) *storage purposes ( whether or not involving use as a warehouse or repository) other than storage purposes ancillary to a purpose falling within Class B or C.]*

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