



Finance (No. 2) Act 1983

1983 CHAPTER 49

An Act to grant certain duties, to alter other duties, and to amend the law relating to the National Debt and the Public Revenue, and to make further provision in connection with Finance. [26 July 1983]

^{XIX}2 Most Gracious Sovereign, We, Your Majesty's most dutiful and loyal subjects, the Commons of the United Kingdom in Parliament assembled, towards raising the necessary supplies to defray Your Majesty's public expenses, and making an addition to the public revenue, have freely and voluntarily resolved to give and grant unto Your Majesty the several duties hereinafter mentioned; and do therefore most humbly beseech Your Majesty that it may be enacted, and be it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

PART I

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

1—5 F1

Textual Amendments

F1 Ss. 1–5 repealed by [Income and Corporation Taxes Act 1988 \(c.1, SIF 63:1\)](#), s. 844(4), [Sch. 31](#)

6 F2

Status: Point in time view as at 01/02/1991.

Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 1983. (See end of Document for details)

Textual Amendments

F2 S. 6 repealed by [Capital Allowances Act 1900 \(c.1, SIF 63:1\)](#), ss. 82, 164(3)(4)(5), [Sch. 2](#)

7 Relief for local constituency associations of political parties on reorganisation of constituencies.

- (1) In this section “relevant date” means the date of coming into operation of an Order in Council under [^{F3}the Parliamentary Constituencies Act 1986] (orders specifying new parliamentary constituencies) and, in relation to any relevant date,—
- (a) “former parliamentary constituency” means an area which, for the purposes of parliamentary elections, was a constituency immediately before that date but is no longer such a constituency after that date; and
 - (b) “new parliamentary constituency” means an area which, for the purposes of parliamentary elections, is a constituency immediately after that date but was not such a constituency before that date.
- (2) In this section “local constituency association” means an unincorporated association (whether described as an association, a branch or otherwise) whose primary purpose is to further the aims of a political party in an area which at any time is or was the same or substantially the same as the area of a parliamentary constituency or two or more parliamentary constituencies and, in relation to any relevant date,—
- (a) “existing association” means a local constituency association whose area was the same, or substantially the same, as the area of a former parliamentary constituency or two or more such constituencies; and
 - (b) “new association” means a local constituency association whose area is the same, or substantially the same, as the area of a new parliamentary constituency or two or more such constituencies.
- (3) For the purposes of this section, a new association is a successor to an existing association if any part of the existing association’s area is comprised in the new association’s area.
- (4) In any case where, before, on or after a relevant date,—
- (a) an existing association disposes of land to a new association which is a successor to the existing association, or
 - (b) an existing association disposes of land to a body (whether corporate or unincorporated) which is an organ of the political party concerned and, as soon as practicable thereafter, that body disposes of the land to a new association which is a successor to the existing association,
- the parties to the disposal or, where paragraph (b) above applies, to each of the disposals, shall be treated for the purposes of corporation tax in respect of chargeable gains or, as the case may require, capital gains tax as if the land disposed of were acquired from the existing association or the body making the disposal for a consideration of such an amount as would secure that on the disposal neither a gain nor a loss accrued to that association or body.
- (5) In a case falling within subsection (4) above, the new association shall be treated for the purposes of Schedule 5 to the ^{M1}Capital Gains Tax Act 1979 (assets held on 6th April 1965) as if the acquisition by the existing association of the land disposed of as mentioned in that subsection had been the new association’s acquisition of it; . . . ^{F4}.

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- (6) In any case where—
- (a) before, on or after a relevant date, an existing association disposes of any land which was used and occupied by it for the purposes of its functions, and
 - (b) the existing association transfers the whole or part of the proceeds of the disposal to a new association which is a successor to the existing association,

then, subject to subsection (7) below, the Capital Gains Tax Act 1979 (and, in particular, the provisions of sections 115 to 121 providing for rollover relief on the replacement of business assets) shall have effect as if, since the time it was acquired by the existing association, the land disposed of had been the property of the new association and, accordingly, as if the disposal of it had been by the new association.

- (7) If, in a case falling within subsection (6) above, only part of the proceeds of the disposal is transferred to the new association, that subsection shall apply—
- (a) as if there existed in the land disposed of as mentioned in paragraph (a) of that subsection a separate asset in the form of a corresponding undivided share in that land, and subject to any necessary apportionments of consideration for an acquisition or disposal of, or of an interest in, that land; and
 - (b) as if the references in that subsection (other than paragraph (a) thereof) of the land disposed of and the disposal of it were references respectively to the corresponding undivided share referred to in paragraph (a) above and the disposal of that share;

and for this purpose a corresponding undivided share in the land disposed of is a share which bears to the whole of that land the same proportion as the part of the proceeds transferred bears to the whole of those proceeds.

- (8) In this section “political party” means a political party which qualifies for exemption under ^{F5}section 24 of the Capital Transfer Tax Act 1984] (gifts to political parties).
- (9) This section applies in any case where the relevant date falls after 1st January 1983 and the disposal referred to in subsection (4) or subsection (6) above is on or after 6th April 1983.

Textual Amendments

- F3** S. 7(1) words substituted by [Parliamentary Constituencies Act 1986 \(c.56, SIF 42\)](#), s. 7, **Sch. 3 para. 6**
- F4** S. 7(5) words repealed by [Finance Act 1985 \(c.54, SIF 63:2\)](#), s. 98(6), **Sch. 27 Pt. VII** Note 4
- F5** S. 7(8) words substituted by [Capital Transfer Act 1984 \(c.51, SIF 65\)](#), s. 276, **Sch. 8 para. 23**

Marginal Citations

- M1** 1979 c. 14.

8—13. ^{F6}

Textual Amendments

- F6** [Ss. 8—13](#) repealed by [Capital Transfer Tax Act 1984 \(c. 51\)](#) ss. 274, 277, schs. 7, 9.

Status: Point in time view as at 01/02/1991.

Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 1983. (See end of Document for details)

14 ^{F7}

Textual Amendments
F7 S. 14 repealed by Finance Act 1985 (c.54, SIF 63:1), Sch. 27 Pt. X note 2

PART III

MISCELLANEOUS AND SUPPLEMENTARY

15 Relief from stamp duty for local constituency associations of political parties on reorganisation of constituencies.

(1) In a case falling within paragraph (a) or paragraph (b) of subsection (4) of section [^{F87} above, section 57 of the Stamp Act ^{M2}1891 shall not apply in relation to a conveyance or transfer by which the disposal or, in the case of paragraph (b), either of the disposals referred to in that paragraph is effected.]

(2) ^{F9}

Textual Amendments
F8 S. 15(1)(a)(b) and words substituted by Finance Act 1985 (c.54, SIF 114), s. 82(4)(6)(8)
F9 S. 15(2) repealed by Finance Act 1985 (c.54, SIF 114), s. 98(6), Sch. 27 Pt. IX(1)
Marginal Citations
M2 1891 c.39(114).

16 ^{F10}

Textual Amendments
F10 S. 16 repealed by Capital Transfer Tax Act 1984 (c. 51) ss. 274, 277, schs. 7, 9.

Status: Point in time view as at 01/02/1991.

Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 1983. (See end of Document for details)

F11F11 SCHEDULE 1

Textual Amendments

F11 Sch. 1 repealed by [Income and Corporation Taxes Act 1988 \(c.1, SIF 63:1\)](#), s. 844(4), [Sch. 31](#)

F11

SCHEDULE 2

Section 16(4).

REPEALS

PART I

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

Chapter	Short title	Extent of repeal
1983 c. 28.	The Finance Act 1983.	In section 10, in subsection (1), the words following “ 30 per cent.” and subsections (2) and (3). Section 16. In Schedule 5, in paragraph 17(1), paragraph (c) and the word “ and” immediately preceding it and, in paragraph 18(1), the words “ within the next four months”.

PART II

CAPITAL TRANSFER TAX

Modifications etc. (not altering text)

C2 The text of the initial part of Schedule 2 Part II is in the form in which it was originally enacted; it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991

Chapter	Short Title	Extent of Repeal
1925 c. 23.	The Administration of Estates Act 1925.	In the First Schedule, paragraph 8(b).

Status: Point in time view as at 01/02/1991.

Changes to legislation: *There are currently no known outstanding effects for the Finance (No. 2) Act 1983. (See end of Document for details)*

1955 c. 24 (N.I.).	The Administration of Estates Act (Northern Ireland) 1955.	In the First Schedule, paragraph 8(b).
1975 c. 7.	The Finance Act 1975.	In section 26(3), the words “ 10(1)(b) or”, “ given to a charity or property” and “ charity or, as the case may be, the”.
		In section 45, in subsection (1), paragraph (c) and the word “ or” immediately preceding it, and subsections (2A) and (3).
		In Schedule 4, in paragraphs 12(3) and 19(2), the words “ a charity or only” .
		In Schedule 6, in paragraph 10(1), paragraph (b) and the word “ and” immediately preceding it.
1976 c. 40.	The Finance Act 1976.	In Schedule 10, paragraph 2(1A)(b).
1977 c. 36.	The Finance Act 1977.	Section 49.
1982 c. 39.	The Finance Act 1982.	Section 92(2)
1	The repeals in the Administration of Estates Act 1925 and the Administration of Estates Act (Northern Ireland) 1955 have effect in relation to deaths on or after the day on which this Act is passed.	
2	The repeals of — <ul style="list-style-type: none"> (a) subsections (1)(c), (2A) and (3) of section 45 of the Finance Act 1975, (b) paragraph 2(1A)(b) of Schedule 10 to the Finance Act 1976, and (c) section 49 of the Finance Act 1977, have effect in relation to transfers of value made, and other events occurring, on or after 15th March 1983.	
3	The remaining repeals have effect in relation to transfers of value made on or after 15th March 1983.	

Status:

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