

*Changes to legislation: There are currently no known outstanding effects for the Inheritance Tax Act 1984, SCHEDULE 6. (See end of Document for details)*

## SCHEDULE 6

Section 273.

### TRANSITION FROM ESTATE DUTY

#### *General*

- 1 References in any enactment, in any instrument made under any enactment, or in any document (whether executed before or after the passing of this Act) to estate duty or to death duties shall have effect, as far as may be, as if they included references to capital transfer tax chargeable under section 4 of this Act (or under section 22 of the <sup>M1</sup>Finance Act 1975).

#### **Modifications etc. (not altering text)**

- C1** See Finance Act 1986 s. 100(1) and (2)—for any liability to tax arising on and after 25 July 1986 any reference in the legislation to capital transfer tax has effect as a reference to inheritance tax.

#### **Marginal Citations**

- M1** 1975 c. 7.

#### *Surviving spouse or former spouse*

- 2 In determining for the purposes of this Act the value of the estate, immediately before his death, of a person whose spouse (or former spouse) died before 13th November 1974, there shall be left out of account the value of any property which, if estate duty were chargeable on the later death, would be excluded from the charge by section 5(2) of the <sup>M2</sup>Finance Act 1894 (relief on death of surviving spouse); and tax shall not be chargeable under section 52 of this Act on the coming to an end of an interest in possession in settled property if—
- the spouse (or former spouse) of the person beneficially entitled to the interest died before 13th November 1974, and
  - the value of the property in which the interest subsists would by virtue of the preceding provisions of this paragraph have been left out of account in determining the value of the survivor's estate had he died immediately before the interest came to an end.

#### **Marginal Citations**

- M2** 1894 c. 30.

#### *Sales and mortgages of reversionary interests*

- 3 (1) Where a reversionary interest in settled property was before 27th March 1974 sold or mortgaged for full consideration in money or money's worth, no greater amount of tax shall be payable by the purchaser or mortgagee when the interest falls into possession than the amounts of estate duty that would have been payable by him if none of the provisions of the Finance Act 1975 or this Act had been passed; and any tax which, by virtue of this paragraph, is not payable by the mortgagee but which is payable by the mortgagor shall rank as a charge subsequent to that of the mortgagee.

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- (2) Where the interest referred to in sub-paragraph (1) above was sold or mortgaged to a close company in relation to which the person entitled to the interest was a participator, sub-paragraph (1) above shall apply only to the extent that other persons had rights and interests in the company; and this sub-paragraph shall be construed as if contained in Part IV of this Act.

*Objects of national etc. interest left out of account on death*

- 4 (1) In its application to a sale which does not comply with paragraph 6 of Schedule 5 to this Act, subsection (2) of section 40 of the <sup>M3</sup>Finance Act 1930 shall have effect as if the reference to the proceeds of sale were a reference to the value of the objects on that date.
- (2) Where there has been a death in relation to which the value of any property has been left out of account under section 40 of the Finance Act 1930 and, before any estate duty has become chargeable under the provisions of that section or of section 48 of the <sup>M4</sup>Finance Act 1950, there is a conditionally exempt transfer of that property, then, on the occurrence of a chargeable event in respect of that property—
- [<sup>F1</sup>(a) tax shall be chargeable under section 32 or 32A of this Act (as the case may be), or
- (b) estate duty shall be chargeable under those provisions,
- as the Board may elect,] and in this sub-paragraph “conditionally exempt transfer” includes a conditionally exempt occasion within the meaning of section 78(2) of this Act.
- (3) In sections 33(7) [<sup>F2</sup>and 8] and 79(1) of this Act, references to a conditionally exempt transfer of any property include references to a death in relation to which the value of any property has been left out of account under section 40 of the Finance Act 1930 and, in relation to such property, references to a chargeable event or to the tax chargeable in accordance with section 33 of this Act by reference to a chargeable event include references to an event on the occurrence of which estate duty becomes chargeable under section 40 of the Finance Act 1930 or section 48 of the Finance Act 1950 or to the estate duty so chargeable.
- (4) In determining for the purposes of section 40(2) [<sup>F3</sup>or (2A)] of the Finance Act 1930 what is the last death on which the objects passed, there shall be disregarded any death after 6th April 1976.
- (5) In the application of this paragraph to Northern Ireland for references to section 40 of the Finance Act 1930 and section 48 of the Finance Act 1950 there shall be substituted references to section 2 of the <sup>M5</sup>Finance Act (Northern Ireland) 1931 and Article 6 of the <sup>M6</sup>Finance (Northern Ireland) Order 1972 respectively.

**Textual Amendments**

- F1** Sch. 6 para. 4(2)(a)(b) and words substituted for Sch. 6 para. 4(2)(a)(b) (with effect in accordance with s. 97(8) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 97\(7\)\(a\)](#)
- F2** Finance Act 1986 Sch. 19, para. 39, *with effect from 18 March 1986.*
- F3** Words in Sch. 6 para. 4(4) inserted (with effect in accordance with s. 97(8) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 97\(7\)\(b\)](#)

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**Marginal Citations**

- M3** 1930 c. 28.
- M4** 1950 c. 15.
- M5** 1931 c. 24 (N.I.).
- M6** S.I. 1972/1100

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