



Capital Transfer Tax Act 1984

1984 CHAPTER 51

PART V

MISCELLANEOUS RELIEFS

CHAPTER IV

TRANSFERS WITHIN THREE YEARS BEFORE DEATH

137 Interests in land

- (1) Where the transferred property is an interest in land in relation to which the conditions mentioned in subsection (2) below are not satisfied, then, subject to subsections (3) and (4) below, the market value of the transferred property on the relevant date shall for the purposes of section 131 above be taken to be increased by an amount equal to the difference between—
 - (a) the market value of the interest at the time of the chargeable transfer, and
 - (b) what that market value would have been if the circumstances prevailing on the relevant date and by reason of which the conditions are not satisfied had prevailed at the time of the chargeable transfer.
- (2) The conditions referred to in subsection (1) above are—
 - (a) that the interest was the same in all respects and with the same incidents at the time of the chargeable transfer and on the relevant date, and
 - (b) that the land in which the interest subsists was in the same state and with the same incidents at the time of the chargeable transfer and on the relevant date.
- (3) If after the date of the chargeable transfer but before the relevant date compensation becomes payable under any enactment to the transferee or his spouse—
 - (a) because of the imposition of a restriction on the use or development of the land in which the interest subsists, or
 - (b) because the value of the interest is reduced for any other reason,

Status: This is the original version (as it was originally enacted).

the imposition of the restriction or the other cause of the reduction in value shall be ignored for the purposes of subsections (1) and (2) above, but the market value of the interest on the relevant date shall be taken to be increased by an amount equal to the amount of the compensation.

- (4) Where the market value of the interest at the time of the chargeable transfer is less than it would have been as mentioned in subsection (1) above, that subsection shall apply as if, instead of providing for an increase, it provided for the market value on the relevant date to be reduced to what it would have been if the change in circumstances by reason of which the conditions mentioned in subsection (2) above are not satisfied had not occurred.