



Inheritance Tax Act 1984

1984 CHAPTER 51

PART V

MISCELLANEOUS RELIEFS

CHAPTER V

MISCELLANEOUS

Changes in distribution of deceased's estate, etc.

142 Alteration of dispositions taking effect on death.

- (1) Where within the period of two years after a person's death—
- (a) any of the dispositions (whether effected by will, under the law relating to intestacy or otherwise) of the property comprised in his estate immediately before his death are varied, or
 - (b) the benefit conferred by any of those dispositions is disclaimed,
- by an instrument in writing made by the persons or any of the persons who benefit or would benefit under the dispositions, this Act shall apply as if the variation had been effected by the deceased or, as the case may be, the disclaimed benefit had never been conferred.

[^{F1}(2) Subsection (1) above shall not apply to a variation unless the instrument contains a statement, made by all the relevant persons, to the effect that they intend the subsection to apply to the variation.

- (2A) For the purposes of subsection (2) above the relevant persons are—
- (a) the person or persons making the instrument, and
 - (b) where the variation results in additional tax being payable, the personal representatives.

Changes to legislation: There are currently no known outstanding effects for the Inheritance Tax Act 1984, Section 142. (See end of Document for details)

Personal representatives may decline to make a statement under subsection (2) above only if no, or no sufficient, assets are held by them in that capacity for discharging the additional tax.]

- (3) Subsection (1) above shall not apply to a variation or disclaimer made for any consideration in money or money's worth other than consideration consisting of the making, in respect of another of the dispositions, of a variation or disclaimer to which that subsection applies.
- [^{F2}(3A) Subsection (1) does not apply to a variation by virtue of which any property comprised in the estate immediately before the person's death becomes property in relation to which section 23(1) applies unless it is shown that the appropriate person has been notified of the existence of the instrument of variation.
- (3B) For the purposes of subsection (3A) "the appropriate person" is—
- (a) the charity or registered club to which the property is given, or
 - (b) if the property is to be held on trust for charitable purposes or for the purposes of registered clubs, the trustees in question.]
- (4) Where a variation to which subsection (1) above applies results in property being held in trust for a person for a period which ends not more than two years after the death, this Act shall apply as if the disposition of the property that takes effect at the end of the period had had effect from the beginning of the period; but this subsection shall not affect the application of this Act in relation to any distribution or application of property occurring before that disposition takes effect.
- (5) For the purposes of subsection (1) above the property comprised in a person's estate includes any excluded property but not any property to which he is treated as entitled by virtue of section 49(1) above [^{F3}or section 102 of the Finance Act 1986].
- (6) Subsection (1) above applies whether or not the administration of the estate is complete or the property concerned has been distributed in accordance with the original dispositions.
- (7) In the application of subsection (4) above to Scotland, property which is subject to a proper liferent shall be deemed to be held in trust for the liferenter.

Textual Amendments

- F1** S. 142(2)(2A) substituted for s. 142(2) (24.7.2002 with application as mentioned in s. 120(4) of the amending Act) by 2002 c. 23, s. 120(1)(4)
- F2** S. 142(3A)(3B) inserted (with effect in accordance with Sch. 33 para. 10(2) of the amending Act) by Finance Act 2012 (c. 14), Sch. 33 para. 9
- F3** Finance Act 1986 Sch. 19, para. 24, with effect from 18 March 1986.

Changes to legislation:

There are currently no known outstanding effects for the Inheritance Tax Act 1984, Section 142.