

SCHEDULES

SCHEDULE 14

Section 73.

INHERITANCE TAX

Business property

- 1 In section 104 of the Inheritance Tax Act 1984 (relief for relevant business property)
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- (a) in subsection (1)(a), for “50 per cent” there shall be substituted “100 per cent”;
 - (b) in subsection (1)(b), for “30 per cent” there shall be substituted “50 per cent”.
- 2 (1) Section 105 of that Act (relevant business property) shall be amended as follows.
- (2) In subsection (1)(b), after “which” there shall be inserted “are unquoted and which”.
- (3) In subsection (1), the following paragraph shall be inserted after paragraph (c)—
- “(cc) shares in or securities of a company which are quoted and which (either by themselves or together with other such shares or securities owned by the transferor) gave the transferor control of the company immediately before the transfer;”.
- (4) The following subsection shall be inserted after subsection (1)—
- “(1ZA) In subsection (1) above “quoted”, in relation to any shares or securities, means quoted on a recognised stock exchange and “unquoted”, in relation to any shares or securities, means not so quoted.”
- (5) In subsection (2) after “subsection (1)(b)” there shall be inserted “or (cc)”.
- 3 In section 113A of that Act (transfers of relevant business property within seven years before death of transferor) the following subsection shall be inserted after subsection (3A)—
- “(3B) In subsection (3A) above “quoted”, in relation to any shares or securities, means quoted on a recognised stock exchange and “unquoted”, in relation to any shares or securities, means not so quoted.”

Agricultural property

- 4 In section 116 of that Act (relief for agricultural property) in subsections (2) and (4)—
- (a) for “50 per cent” (in each place) there shall be substituted “100 per cent”;
 - (b) for “30 per cent” (in each place) there shall be substituted “50 per cent”.

Status: This is the original version (as it was originally enacted).

Payment by instalments

5 In section 227 of that Act (payment by instalments - land, shares and businesses) the following subsection shall be inserted after subsection (1A)—

“(1AA) In subsection (1A) above “unquoted”, in relation to any shares or securities, means not quoted on a recognised stock exchange.”

6 In section 228 of that Act (shares or securities within section 227) the following subsection shall be added at the end—

“(5) In this section “unquoted”, in relation to any shares or securities, means not quoted on a recognised stock exchange.”

Gifts with reservation

7 In Schedule 20 to the Finance Act 1986 (gifts with reservation) in paragraph 8(1A)(a) (which refers to shares and securities qualifying for 50 per cent. business property relief) for the words from “within paragraph (b)” to “relief” there shall be substituted “within paragraph (b), (bb) or (cc) of section 105(1) of the 1984 Act (certain shares or securities qualifying for relief)”.

Commencement

8 Subject to paragraph 9 below, the amendments made by this Schedule shall have effect in relation to transfers of value made, and other events occurring, on or after 10th March 1992.

9 (1) This paragraph applies where by reason of a death occurring on or after 10th March 1992—

- (a) a potentially exempt transfer made before that date proves to be a chargeable transfer, or
- (b) additional tax falls to be calculated in respect of a chargeable transfer (other than a potentially exempt transfer) made before that date and within seven years of the death.

(2) Subject to sub-paragraph (3) below, for the purposes of sections 113A and 113B of the Inheritance Tax Act 1984, it shall be assumed—

- (a) that the amendments made by this Schedule came into effect at the time the transfer was made, and
- (b) (in a case within sub-paragraph (1)(b) above) that so much of the value transferred as would have been reduced in accordance with Chapter I of Part V of that Act as amended by this Schedule was so reduced.

(3) Where, disregarding the amendments made by this Schedule, any shares or securities transferred fell within section 105(1)(b) of that Act in relation to the transfer, those amendments shall be disregarded in determining whether section 113A(3A) applies to the shares or securities.

(4) This paragraph shall be construed as if it were contained in Chapter I of Part V of that Act.