



Finance Act 1996

1996 CHAPTER 8

PART V

INHERITANCE TAX

184 Business property relief.

- (1) The Inheritance Tax Act 1984 shall be amended as follows.
 - (2) In section 105(1) (relevant business property for the purposes of business property relief)—
 - (a) in paragraph (b) (unquoted shares and securities attracting 100 per cent. relief where they gave the transferor control of a company)—
 - (i) the words “ shares in or ” shall be omitted; and
 - (ii) for the words “ shares or securities owned by the transferor ” there shall be substituted “ securities owned by the transferor and any unquoted shares so owned ”;
 - (b) for paragraph (bb) (unquoted shares attracting 100 per cent. relief in other cases) there shall be substituted the following paragraph—

“(bb) any unquoted shares in a company;”
- and
- (c) paragraph (c) (unquoted shares attracting 50 per cent. relief) shall be omitted.
- (3) In section 107(4) (replacement of property with unquoted shares), for the words from the beginning to “ such shares ” there shall be substituted—

“(4) Without prejudice to subsection (1) above, where any shares falling within section 105(1)(bb) above which are”.
- (4) In section 113A(3A)(b) (which contains a reference to shares and securities falling within paragraph (b) of section 105(1)), after “ (b) ” there shall be inserted “ or (bb) ”.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1996, Section 184. (See end of Document for details)

(5) For the removal of any doubt, the following subsection shall be inserted in section 113A (provisions applying to business property relief where there is a transfer within seven years of death) after subsection (7)—

“(7A) The provisions of this Chapter for the reduction of value transferred shall be disregarded in any determination for the purposes of this section of whether there is a potentially exempt or chargeable transfer in any case.”

(6) This section—

- (a) so far as it inserts a new subsection (7A) in section 113A, has effect in relation to any transfer of value on or after 28th November 1995; and
- (b) so far as it makes any other provision, has effect—
 - (i) in relation to any transfer of value on or after 6th April 1996, and
 - (ii) for the purposes of any charge to tax by reason of an event occurring on or after 6th April 1996, in relation to transfers of value before that date.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 1996, Section 184.