



Chevening Estate Act 1959

1959 CHAPTER 49 7 and 8 Eliz 2

2 Provisions as to income tax, estate duty and stamp duty.

(1) Subject to the following provisions of this section, exemption shall be granted—

- ^{F1}(a)
- (b) from income tax chargeable . . . ^{F2}, under [^{F3}Part 3 of the Income Tax (Trading and Other Income) Act 2005], in respect of the rents and profits of any land which is for the time being held upon the trusts of the trust instrument;
- (c) from income tax chargeable under [^{F4}the provisions of the Income Tax (Trading and Other Income) Act 2005 specified in subsection (1A) in respect of the income chargeable under those provisions], which constitutes income arising from and subject to those trusts.
- [^{F5}(d) from income tax chargeable under regulation 15 of the Unauthorised Unit Trusts (Tax) Regulations 2013, in respect of income arising from and subject to those trusts.]

[^{F6}(1A) The provisions are—

- (a) Chapter 2 of Part 4 (interest) so far as the income is yearly interest or public revenue dividends (as defined in [^{F7}section 533(2) of the Income Tax Act 2007]),
- (b) Chapter 7 of that Part (purchased life annuity payments),
- ^{F8}(c)
- (d) Chapter 13 of that Part (sales of foreign dividend coupons) so far as the income arises from foreign holdings within section 571(1)(a) (meaning of “foreign holdings” in that Chapter),
- (e) Chapter 2 of Part 5, so far as it relates to annual payments (receipts from intellectual property),
- (f) Chapter 4 of that Part, so far as it relates to annual payments (certain telecommunication rights: non-trading income), and
- (g) Chapter 7 of that Part (annual payments not otherwise charged).]

(2) None of the exemptions granted by the preceding subsection shall have effect in respect of any income tax which (apart from that subsection) would be chargeable for any year of assessment, in so far as that tax would be so chargeable—

Changes to legislation: There are currently no known outstanding effects for the Chevening Estate Act 1959, Section 2. (See end of Document for details)

- (a) in respect of a period during which the life interest of the Settlor under the trust instrument continues to subsist, whether that interest for the time being remains vested in the Settlor or not, or
 - (b) in respect of any period after all the trusts declared by the trust instrument (except the trust contained therein in favour of the National Trust) have failed or determined.
- (3) The exemption granted by paragraph (a) of subsection (1) of this section shall not extend to tax in respect of any rent payable or other annual payment to be made by the [^{F9}Board] in respect of any land for the time being held upon the trusts of the trust instrument.
- (4) Notwithstanding anything in paragraph (b) of subsection (1) of this section, any assessment upon any property falling within that paragraph shall not be vacated or altered but shall be in force and levied notwithstanding the allowance of any such exemption as is mentioned in that paragraph.
- (5) For the purposes of the enactments relating to estate duty, the property passing, or deemed to pass, on the death of the Settlor shall be taken not to include any property which, immediately before the death of the Settlor, is property held upon the trusts of the trust instrument:
Provided that this subsection shall not apply to any chattels which, immediately before the death of the Settlor, are held upon the trusts of the trust instrument but are given or bequeathed by him in pursuance of Clause 18 of that instrument.
- (6) For the purposes of the said enactments, the property passing, or deemed to pass, on the death of the Settlor shall also be taken not to include any property which by his will is given or directed to be held upon the trusts of the trust instrument, except—
- (a) any property which is so given or directed to be held subject to one or more prior interests, other than annuities;
 - (b) any property which is appropriated for the payment (whether by way of purchase or otherwise) of one or more annuities given by the will of the Settlor;
 - (c) if by the will of the Settlor any property is charged with, or given conditionally upon, the payment of one or more annuities, and no property is so appropriated for the payment of those annuities, the property so charged or given.
- (7) For the purposes of the said enactments—
- (a) any property which by the will of the Settlor is given or directed to be held as mentioned in paragraph (a) of the last preceding subsection shall not be taken to be or to form part of property passing, or deemed to pass, on the death of any person entitled to any such prior interest as is therein mentioned, if on the cesser of that prior interest the property is directed to be held in possession upon the trusts of the trust instrument;
 - (b) property which is appropriated for the payment of one or more annuities given by the will of the Settlor, but which (subject thereto) is directed to be held upon the trusts of the trust instrument, shall not be taken to be or to form part of property passing, or deemed to pass, on the death of any of the annuitants;
- and no property which is for the time being held upon the trusts of the trust instrument shall be taken to be or to form part of property passing, or deemed to pass, on the death of any person other than the Settlor, by reason only that it is property which, before that person's death, he was permitted to occupy, use or enjoy in accordance with those trusts.

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- (8) No stamp duty shall be payable, or be deemed to have been payable,—
- (a) on the vesting deed or the trust instrument, or
 - (b) . . . ^{F10}
 - (c) on any instrument which, after the death of the Settlor, is executed in favour of [^{F11}the Board], being an instrument in respect of which stamp duty, if payable, would be payable out of moneys held upon the trusts of the trust instrument; and any stamp duty paid on any instrument, whether before or after the passing of this Act, if by virtue of this subsection no stamp duty should have been charged thereon, shall be repaid.
- (9) In this section any reference to permission to occupy, use or enjoy any property in accordance with the trusts of the trust instrument is a reference to permission to occupy, use or enjoy that property as a person nominated in that behalf in accordance with those trusts, or as a person holding office as an ambassador, High Commissioner or other diplomatic representative as mentioned in the trust instrument.
- (10) In this section [^{F12}“the Board”] and “the National Trust” have the same meanings respectively as in the trust instrument, and any reference to the will of the Settlor includes a reference to any codicil to that will.

Textual Amendments

- F1** S. 2(1)(a) repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), s. 883\(1\), Sch. 3](#) (with [Sch. 2](#))
- F2** Words repealed by [Finance Act 1963 \(c. 25\), Sch. 13 Pt. I](#) as respects tax for the year 1964-65 and subsequent years
- F3** Words in s. 2(1)(b) substituted (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), s. 883\(1\), Sch. 1 para. 356\(2\)\(b\)](#) (with [Sch. 2](#))
- F4** Words in s. 2(1)(c) substituted (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), s. 883\(1\), Sch. 1 para. 356\(2\)\(c\)](#) (with [Sch. 2](#))
- F5** S. 2(1)(d) inserted (6.4.2014) by [The Unauthorised Unit Trusts \(Tax\) Regulations 2013 \(S.I. 2013/2819\), regs. 1\(3\), 33\(a\)](#) (with [reg. 32](#))
- F6** S. 2(1A) inserted (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), s. 883\(1\), Sch. 1 para. 356\(3\)](#) (with [Sch. 2](#))
- F7** Words in s. 2(1A)(a) substituted (6.4.2007) by [Income Tax Act 2007 \(c. 3\), s. 1034\(1\), Sch. 1 para. 241](#) (with [Sch. 2](#))
- F8** S. 2(1A)(c) omitted (6.4.2014) by virtue of [The Unauthorised Unit Trusts \(Tax\) Regulations 2013 \(S.I. 2013/2819\), regs. 1\(3\), 33\(b\)](#) (with [reg. 32](#))
- F9** Word substituted by [Chevening Estate Act 1987 \(c. 20, SIF 57\), s. 3\(1\), Sch. 2 para. 1\(1\)](#)
- F10** S. 2(8)(b) repealed by [Chevening Estate Act 1987 \(c. 20, SIF 57\), s. 4\(b\)](#)
- F11** Words substituted by [Chevening Estate Act 1987 \(c. 20, SIF 57\), s. 4\(b\)](#)
- F12** Words substituted by [Chevening Estate Act 1987 \(c. 20, SIF 57\), s. 4\(c\)](#)

Modifications etc. (not altering text)

- C1** The text of s. 2(3)(4)(repealed by [Finance Act 1963 \(c. 25\), Sch. 13 Pt. I](#) as respects tax for the year 1964-65 and subsequent years) is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

Changes to legislation:

There are currently no known outstanding effects for the Chevening Estate Act 1959, Section 2.