

*These notes refer to the Scotland Act 1998 (c.46)
which received Royal Assent on 19th November 1998*

SCOTLAND ACT 1998

EXPLANATORY NOTES

SCHEDULES

[Schedule 5](#)

Part II: Preliminary paragraphs

SECTIONS

Section K4: Property Accepted in Satisfaction of Tax

Purpose and Effect

This Section reserves the acceptance of property and works of art in satisfaction of tax.

General

This Section concerns the ability of the Commissioners of Inland Revenue under the Inheritance Tax Act 1984 to accept land, books, works of art and certain other items in satisfaction of liability to inheritance tax or interest thereon. That matter is reserved by the general reservation of fiscal matters, with certain exceptions, by Section A1. The present Section reserves legislative competence in respect of the ability of Ministers to direct how the property accepted by the Inland Revenue should be disposed of, and to pay the Commissioners sums equal to the amounts of tax concerned.

Details of Provisions

Reservation

The subject-matter of the following is reserved:

- (a) *section 8 of the National Heritage Act 1980*, which covers Ministerial powers to pay the Commissioners of the Inland Revenue; and
- (b) *section 9 of the same Act*, which empowers Ministers to direct how the property accepted by the Inland Revenue should be disposed of.

Executive Devolution

The following functions have been included in the Scotland Act 1998 (Transfer of Functions to the Scottish Ministers etc.) Order 1999 ([S.I. 1999/1750](#)).

<p>The National Heritage Act 1980 (c.17), section 9(1) to (6), as read with section 9(8) and (9)(a), (b) and (c), and sections 16 and 16A.</p>	<p>Section 9: (a) The functions conferred on Secretary of State to direct the disposal of property accepted in satisfaction of tax, so far as concerns certain property in which there is a Scottish interest.</p>
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	<p>(b) The function of the Secretary of State to lay before Parliament an annual statement giving particulars of any disposal or transfer made in pursuance of directions given under this section., so far as concerns any disposal or transfer of property in which there is a Scottish interest.</p> <p>Section 16 - The functions of the Secretary of State (as “Minister” under the Act) to undertake to indemnify any institution, body or person for the loss of, or damage to, any object belonging to that institution, body or person while on loan to any other institution, body or person in Scotland falling within section 16(2).</p> <p>(Note: the Secretary of State is the sole remaining Minister for the purposes of the 1980 Act by virtue of a Transfer of Functions Order - S.I. 1992/1311).</p> <p>Section 16A - The function of the Secretary of State to lay before Parliament a report under section 16A(1) on undertakings given by him (and on outstanding contingent liabilities in respect of such undertakings) in respect of objects loaned to institutions, bodies or persons in Scotland.</p>
<p>The Inheritance Tax Act 1984 (c.51), section 230.</p>	<p>The function conferred on the Secretary of State to agree to the Commissioners’ accepting in satisfaction of tax or interest payable under section 233 any property to which section 230 applies, so far as relates to property in which there is a Scottish interest.</p>

The following functions have been made exercisable by a Minister of the Crown subject to a requirement for agreement of or consultation with the Scottish Ministers by the Scotland Act 1998 (Transfer of Functions to the Scottish Ministers etc.) Order 1999 ([S.I. 1999/1750](#)).

<p>The National Heritage Act 1980 (c.17), section 9(1) to (5), as read with section 9(8) and (9)(d).</p>	<p>The functions of the Secretary of State to direct the disposal of property accepted in satisfaction of tax, so far as concerns property which an institution in Scotland and an institution elsewhere have both expressed an interest in acquiring.</p>
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