



Finance Act 1988

1988 CHAPTER 39

PART III

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER IV

CAPITAL GAINS

Re-basing to 1982

96 Assets held on 31st March 1982

- (1) This section applies to a disposal on or after 6th April 1988 of an asset which was held on 31st March 1982 by the person making the disposal.
- (2) Subject to the following provisions of this section, in computing for the purpose of capital gains tax the gain or loss accruing on the disposal it shall be assumed that the asset was on 31st March 1982 sold by the person making the disposal, and immediately re-acquired by him, at its market value on that date.
- (3) Subject to subsection (5) below, subsection (2) above shall not apply to a disposal—
 - (a) where a gain would accrue on the disposal to the person making the disposal if that subsection did apply, and either a smaller gain or a loss would so accrue if it did not,
 - (b) where a loss would so accrue if that subsection did apply, and either a smaller loss or a gain would accrue if it did not,
 - (c) where, either on the facts of the case or by virtue of Schedule 5 to the Capital Gains Tax Act 1979, neither a gain nor a loss would accrue if that subsection did not apply, or
 - (d) where neither a gain nor a loss would accrue by virtue of any of the specified enactments.

Status: This is the original version (as it was originally enacted).

- (4) Where in the case of a disposal of an asset—
- (a) the effect of subsection (2) above would be to substitute a loss for a gain or a gain for a loss, but
 - (b) the application of subsection (2) is excluded by subsection (3),
- it shall be assumed in relation to the disposal that the asset was acquired by the person making the disposal for a consideration such that, on the disposal, neither a gain nor a loss accrues to him.
- (5) If a person so elects, disposals made by him (including any made by him before the election) shall fall outside subsection (3) above (so that subsection (2) above is not excluded by that subsection).
- (6) An election by a person under subsection (5) above shall be irrevocable and shall be made by notice in writing to the inspector at any time before 6th April 1990 or at any time during the period beginning with the day of the first relevant disposal and ending—
- (a) two years after the end of the year of assessment or accounting period in which the disposal is made, or
 - (b) at such later time as the Board may allow;
- and “the first relevant disposal” means the first disposal to which this section applies which is made by the person making the election.
- (7) An election made by a person under subsection (5) above in one capacity does not cover disposals made by him in another capacity.
- (8) All such adjustments shall be made, whether by way of discharge or repayment of tax, the making of assessments or otherwise, as are required to give effect to an election under subsection (5) above.
- (9) Schedule 8 to this Act (which contains provisions supplementary to this section) shall have effect; and in subsection (3)(d) above “specified enactments” means the enactments specified in paragraph 1(3) of that Schedule.