

## SCHEDULES

### SCHEDULE 5

Section 39.

#### PROVISIONS SUPPLEMENTARY TO SECTION 39

##### *Interpretation*

- 1 In this Schedule " the principal section " means section 39 of this Act.

##### *Net proceeds*

- 2 Paragraph 14(5) of Schedule 6 to the Finance Act 1965 (consideration to be brought into account without discount etc.) shall apply in the computation of the net proceeds of a disposal for the purposes of the principal section as it applies in the computation under that Schedule.
- 3 Paragraph 14(2)(a) of Schedule 7 to the Finance Act 1965 (consideration for option) shall apply for the computation of the net proceeds of a disposal for the purposes of the principal section as it applies for the computation of chargeable gains.

##### *Disregard of proceeds of certain disposals*

- 4 (1) For the purposes of the principal section the consideration for a disposal shall be disregarded if, under any provision other than section 38(2) of this Act—
- (a) it falls to be excluded from the computation of a gain, arising on the disposal; or
  - (b) a gain accruing on the disposal is not a chargeable gain.
- (2) If by virtue of section 29(3) of the Finance Act 1965 (private residences) a fraction of the gain accruing to an individual on a disposal is not a chargeable gain, that fraction of the net proceeds of the disposal shall be disregarded for the purposes of the principal section.
- 5 For the purposes of the principal section the consideration for a disposal shall be disregarded if the disposal is one as respects which any of the following provisions of the Taxes Act applies, that is to say—
- (a) section 267 (company reconstruction or amalgamation: transfer of assets);
  - (b) section 273 (transfers within a group);
  - (c) section 342 (disposals of land between the Housing Corporation and housing societies).

##### *Gifts to charities etc.*

- 6 In section 119(2)(a) of the Finance Act 1972 (gifts to charities etc.) after the words " 1971 " there shall be inserted the words " or section 39 of the Finance Act 1974 ".