



Finance Act 1974

1974 CHAPTER 30

PART III

^{F1} CAPITAL GAINS FROM LAND

CHAPTER I

^{F1} DEVELOPMENT GAINS FROM LAND

44 Supplementary

(1) *For the purposes of this Chapter—*

“authorised unit trust” has the meaning given by section 358 of the Taxes Act, and “unauthorised unit trust” means a unit trust scheme which is not an authorised unit trust;

“chargeable period” means an accounting period of a company or a year of assessment;

“close company”, except for the purposes of Schedule 7 to this Act, has the meaning given by subsections (1) to (3) (disregarding (1)(d) of section 282 of the Taxes Act, and (except as aforesaid) the exceptions made by subsections (4) and (5) of that section and section 283 of that Act shall not apply;

“interest in land” means any estate or interest in land, any right in or over land or affecting the use or disposition of land, and any right to obtain such an estate, interest or right from another which is conditional on that other’s ability to grant the estate, interest or right in question, except that it does not include the interest of a creditor (other than a creditor in respect of a rentcharge) whose debt is secured by way of a mortgage, an agreement for a mortgage or a charge of any kind over land, or, in Scotland, the interest of a creditor in a charge or security of any kind over land^{F1};

“land” includes buildings;

“securities” includes securities as defined in [^{F2}section 82 of the Capital Gains Tax Act 1979 ^{F2}] except that it does not include a security for a normal

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commercial loan as defined in paragraph 1 of Schedule 12 to the Finance Act 1973;

“shares” does not include fixed-rate preference shares as defined in paragraph 1 of Schedule 12 to the Finance Act 1973, but includes securities (as well as, by virtue of ^{F2}section 64(1) of the Capital Gains Tax Act 1979 ^{F2}] stock) and, in relation to a company not limited by shares (whether or not it has a share capital), also includes the interest of a member of the company as such, whatever the form of that interest, and this Chapter shall apply in relation to any disposal of rights attached to or forming part of a share as if the rights included in the disposal and those not included were separate shares;

“unit trust scheme” means a unit trust scheme as defined in section 26(1) of the ^{M1}Prevention of Fraud (Investments) Act 1958, or, for Northern Ireland, in section 22(1) of the ^{M2}Prevention of Fraud (Investments) Act (Northern Ireland) 1940.

- (2) In this Chapter references to the net proceeds of a disposal of an interest in land to which section 38 of this Act applies are . . . ^{F3}) references to the amount which, in the computation of the chargeable gain accruing on the disposal, falls to be taken as the consideration, less any sum allowable in that computation as a deduction on account of the incidental costs to the person making the disposal of making it.
- (3) Where a person disposing of an interest in land acquired it in circumstances such that, by virtue of any enactment, he and the person from whom he acquired it (“the previous disposer”) fall to be treated as if the acquisition were for a consideration of such amount as would secure that on the disposal under which he acquired it neither a gain nor a loss would accrue to the previous disposer; any reference in this Chapter to the acquisition of the interest by the person making the disposal shall be construed as a reference to its acquisition by the previous disposer, or, if the previous disposer himself acquired it in such circumstances as aforesaid, as a reference to its acquisition by the person from whom the previous disposer acquired it (and likewise for any number of previous acquisitions of the interest each made in the like circumstances).
- (4) Schedule 7 to this Act shall have effect with respect to the treatment of development gains under the Tax Acts; and the enactments relating to the taxation of capital gains shall have effect subject to the provisions of Schedule 8 to this Act (being provisions for adapting or amending those enactments in connection with this Chapter).
- (5) This Chapter shall be deemed to have come into force on 18th December 1973.

Textual Amendments

- F1** See [Capital Gains Tax Act 1979 \(c. 14, SIF 63:1\)](#) Sch.5 para. 9(5)—definition applied.
- F2** [Capital Gains Tax Act 1979 \(c. 14, SIF 63:1\)](#), **s. 157(2)** and Sch. 7 para. 9 for 1979-80 et seq.
- F3** Words repealed by [Finance Act 1976 \(c. 40\)](#), s. 132, **Sch.15 Part VII** with respect to gains after 17 December 1973.

Marginal Citations

- M1** 1958 c.45.
- M2** 1940 c.9 (N.I.).

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