

*Status: Point in time view as at 01/02/1991.*

*Changes to legislation: There are currently no known outstanding effects for the Capital Gains Tax Act 1979 (repealed 6.3.1992), Part II. (See end of Document for details)*

## SCHEDULES

### SCHEDULE 5

#### ASSETS HELD ON 6TH APRIL 1965

##### **Modifications etc. (not altering text)**

- C1** See— Capital Gains Tax Act 1979 (c. 14), s. 123A; Finance (No. 2) Act 1983 (c. 49), s. 7(5); Income and Corporation Taxes Act 1988 (c. 1, SIF 63:1), Sch. 29; Finance Act 1988 (c. 39, SIF 63:1, 2), s. 96(3); Trustee Savings Banks Act 1985 (c. 58, SIF 110), s. 5 and Sch. 2 para. 2(2)
- C1** Sch. 5 modified by Finance Act 1990 (c. 29, SIF 63:1), s. 80, Sch. 12 para. 2(1)

#### PART II

##### LAND REFLECTING DEVELOPMENT VALUE

###### *Valuation at 6th April 1965*

- 9 (1) This paragraph shall apply in relation to a disposal of an asset which is an interest in land situated in the United Kingdom—
- (a) if, but for this paragraph, the expenditure allowable as a deduction in computing under Chapter II of Part II of this Act the gain accruing on the disposal would include any expenditure incurred before 6th April 1965, and
  - (b) if the consideration for the asset acquired on the disposal exceeds the current use value of the asset at the time of the disposal, or if any material development of the land has been carried out after 17th December 1973 since the person making the disposal acquired the asset.
- (2) For the purposes of this Act, including Chapter II of Part II, it shall be assumed in relation to the disposal and, if it is a part disposal, in relation to any subsequent disposal of the asset which is an interest in land situated in the United Kingdom that that asset was sold by the person making the disposal, and immediately reacquired by him, at its market value on 6th April 1965.
- (3) Sub-paragraph (2) above shall apply also in relation to any prior part disposal of the asset and, if tax has been charged, or relief allowed, by reference to that part disposal on a different footing, all such adjustments shall be made, whether by way of assessment or discharge or repayment of tax, as are required to give effect to the provisions of this sub-paragraph.
- (4) Sub-paragraph (2) above shall not apply in relation to a disposal of assets—
- (a) if on the assumption in that sub-paragraph a gain would accrue on that disposal to the person making the disposal and either a smaller gain or a loss

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would so accrue (computed in accordance with the provisions of Chapter II of Part II of this Act) if the said sub-paragraph (2) did not apply, or

- (b) if on the assumption in the said sub-paragraph (2) a loss would so accrue and either a smaller loss or a gain would accrue if the said sub-paragraph (2) did not apply,

and accordingly the amount of the gain or loss accruing on the disposal shall be computed without regard to the provisions of this Schedule except that in a case where this sub-paragraph would otherwise substitute a loss for a gain or a gain for a loss it shall be assumed, in relation to the disposal, that the relevant assets were sold by the owner, and immediately re-acquired by him, for a consideration such that, on the disposal, neither a gain nor a loss accrued to the person making the disposal.

(5) For the purposes of this paragraph—

- (a) “interest in land” has the meaning given by section 44(1) of the <sup>M1</sup>Finance Act 1974,
- (b) “material development” has the meaning given by paragraph 6 of Schedule 3 to the <sup>M2</sup>Finance Act 1974,
- (c) the current use value of an interest in land shall be computed in accordance with Part I of the said Schedule 3, but so that, in relation to any material development which was begun before 18th December 1973, sub-paragraph (2) of paragraph 1 of that Schedule (definition of current use value) shall have effect as if the words from “other than” to the end of the sub-paragraph (which allow for the completion of duly authorised material development already begun) were omitted,
- (d) paragraph 9 of the said Schedule 3 (date when material development is begun) shall apply as it applies for the purposes of that Schedule, and
- (e) paragraph 14 of the said Schedule 3 (meaning of material development “carried out after” a particular date) shall apply as it applies for the purposes of paragraphs 11 to 13 of that Schedule.

**Marginal Citations**

**M1** 1974 c. 30.

**M2** 1974 c. 30.

*Allowance for betterment levy*

- 10 Paragraph 9(1) above has effect subject to paragraph 21(2) of Schedule 6 to this Act (valuation at 6th April 1965 on a claim under that paragraph).

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