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SCHEDULES

SCHEDULE 14

CAPITAL TRANSFER TAX RELIEF FOR AGRICULTURAL PROPERTY

Nature of relief

- 2 (1) Where the whole or part of the value transferred by a transfer of value is attributable to the agricultural value of agricultural property, the whole or that part of the value transferred shall be treated as reduced by the appropriate percentage, but subject to the following provisions of this Schedule.
- (2) The appropriate percentage is 50 per cent, if either—
- (a) the interest of the transferor in the property immediately before the transfer carries the right to vacant possession or the right to obtain it within the next twelve months, or
 - (b) the transferor has been beneficially entitled to that interest since before 10th March 1981 and the conditions set out in sub-paragraph (3) below are satisfied ;
- and, subject to sub-paragraph (4) below, it is 20 per cent, in any other case.
- (3) The conditions referred to in sub-paragraph (2)(b) above are—
- (a) that, if the transferor had disposed of his interest by a transfer of value immediately before 10th March 1981 and duly made a claim under paragraph 1 of Schedule 8 to the Finance Act 1975, the value transferred would have been computed in accordance with paragraph 2 of that Schedule and relief would not have been limited by paragraph 5 of that Schedule (restriction to £250,000 or one thousand acres): and
 - (b) that the transferor's interest did not at any time during the period beginning with 10th March 1981 and ending with the date of the transfer carry a right mentioned in sub-paragraph (2)(a) above, and did not fail to do so by reason of any act or deliberate omission of the transferor during that period.
- (4) Where the appropriate percentage would be 50 per cent, but for a limitation on relief that would have been imposed (as mentioned in sub-paragraph (3)(a) above) by paragraph 5 of Schedule 8 to the Finance Act 1975, the appropriate percentage shall be 50 per cent, in relation to a part of the value transferred equal to the amount which would have attracted relief under that Schedule and 20 per cent, in relation to the remainder.
- (5) In determining for the purposes of sub-paragraphs (3)(a) and (4) above whether or to what extent relief under Schedule 8 to the Finance Act 1975 would have been limited by paragraph 5 of that Schedule, that paragraph shall be construed as if references to relief given under that Schedule in respect of previous chargeable transfers included references to relief given under this Schedule by virtue of sub-paragraph (2)(b) or (4) above in respect of previous chargeable transfers made on or after 10th March 1981.

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- (6) For the purposes of this Schedule the interest of one of two or more joint tenants or tenants in common (or, in Scotland, joint owners or owners in common) shall be taken to carry a right referred to in sub-paragraph (2)(a) above if the interests of all of them together carry that right.
- (7) For the purposes of this paragraph, the value transferred by a transfer of value shall be calculated as a value on which no tax is chargeable.