



# Finance (No. 2) Act 1983

## 1983 CHAPTER 49

### PART II

#### CAPITAL TRANSFER TAX

#### 8 Reduction of tax

- (1) Section 91(1) of the Finance Act 1982 (indexation of rate bands) shall not apply to chargeable transfers made in the year beginning with 6th April 1983.
- (2) For the Tables in section 37(3) of the Finance Act 1975 there shall be substituted the Tables set out below.

FIRST TABLE

Portion of value		Rate of tax
Lower limit	Upper limit	Per cent.
£	£	
0	60,000	Nil
60,000	80,000	30
80,000	110,000	35
110,000	140,000	40
140,000	175,000	45
175,000	220,000	50
220,000	270,000	55
270,000	700,000	60
700,000	1,325,000	65
1,325,000	2,650,000	70

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Portion of value		Rate of tax
2,650,000	—	75

#### SECOND TABLE

Portion of value		Rate of tax
Lower limit	Upper limit	Per cent.
£	£	
0	60,000	Nil
60,000	80,000	15
80,000	110,000	17½
110,000	140,000	20
140,000	175,000	22½
175,000	220,000	25
220,000	270,000	30
270,000	700,000	35
700,000	1,325,000	40
1,325,000	2,650,000	45
2,650,000	—	50

- (3) Subsection (2) above applies to any chargeable transfer made on or after 15th March 1983.

### 9 Gifts to charities

- (1) In paragraph 10(1) of Schedule 6 to the Finance Act 1975 (exemption from tax for gifts to charities), paragraph (b) (which limits the exemption to £250,000 in respect of gifts on or within one year of the death of the transferor) shall cease to have effect.
- (2) In section 117 of the Finance Act 1976 (modification of exemptions for loans) in subsection (5)—
- for the words " Paragraphs 10 and 11 (gifts to charities and " there shall be substituted the words " Paragraph 11 (gifts "; and
  - for the words from " those paragraphs " to " 13 (gifts " there shall be substituted the words " that paragraph and paragraphs 10, 12 and 13 (gifts to charities, ".
- (3) This section has effect in relation to transfers of value made on or after 15th March 1983.

### 10 Relief for business and agricultural property

- (1) The appropriate percentage in the case of property falling within paragraph 3(1) (bb) of Schedule 10 to the Finance Act 1976 (relief for minority shareholdings in unquoted companies) shall be increased from 20 per cent, to 30 per cent, and accordingly in paragraph 2(1 A) of that Schedule—

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- (a) paragraph (b) shall cease to have effect; and
- (b) in paragraph (c), after the words "3(1)" there shall be inserted the words "(bb),  
".

- (2) In sub-paragraphs (2) and (4) of paragraph 2 of Schedule 14 to the Finance Act 1981 (appropriate percentage in relation to relief for agricultural property) for the words "20 per cent." there shall, in each case, be substituted the words "30 per cent".
- (3) This section has effect in relation to transfers of value made, and other events occurring, on or after 15th March 1983.

## **11 Payment of tax by instalments**

- (1) In paragraphs 13(1), 14(1) and 15 of Schedule 4 to the Finance Act 1975 (cases in which tax may be paid by instalments) for the words "at his option either by eight equal yearly instalments or by sixteen equal half-yearly instalments" there shall be substituted the words "by ten equal yearly instalments".
- (2) In paragraph 13(3) of Schedule 4 (conditions applying in relation to transfers of certain shares) for the words "£5,000" there shall be substituted the words "£20,000".
- (3) This section has effect in relation to chargeable transfers made on or after 15th March 1983.

## **12 Domicile**

- (1) Section 45(1)(c) of the Finance Act 1975 (which treats certain persons who have become domiciled in the Channel Islands or in the Isle of Man as domiciled in the United Kingdom) shall cease to have effect.
- (2) This section has effect in relation to transfers of value made, and other events occurring, on or after 15th March 1983.

## **13 Burden of tax**

- (1) In section 28 of the Finance Act 1975 (burden of tax) the following subsections shall be substituted for subsection (D)—

- “(1) Where personal representatives are liable for tax on the value transferred by a chargeable transfer made on death, the tax shall be treated as part of the general testamentary and administration expenses of the estate, but only so far as it is attributable to the value of property in the United Kingdom which—
  - (a) vests in the deceased's personal representatives; and
  - (b) was not, immediately before the death, comprised in a settlement.

The provision made by this subsection shall have effect subject to any contrary intention shown by the deceased in his will.

- (1A) Where any amount of tax paid by personal representatives on the value transferred by a chargeable transfer made on death does not fall to be borne as part of the general testamentary and administration expenses of the estate, that amount shall, where occasion requires, be repaid to them by the person in whom the property to the value of which the tax is attributable is vested.”
- (2) For subsection (8) of that section there shall be substituted—

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- “(8) References in this section (except subsection (2)) to tax include references to interest on tax and, in subsections (3) to (5), to costs properly incurred in respect of tax.”
- (3) This section has effect where the death or other event on which tax is chargeable occurs on or after the day on which this Act is passed.