



Inheritance Tax Act 1984

1984 CHAPTER 51

PART VIII

ADMINISTRATION AND COLLECTION

Inland Revenue charge for unpaid tax

237 Imposition of charge.

- (1) Except as otherwise provided, where any tax charged on the value transferred by a chargeable transfer, or any interest on it, is for the time being unpaid a charge for the amount unpaid (to be known as an Inland Revenue charge) is by virtue of this section imposed in favour of the Board on—
 - (a) any property to the value of which the value transferred is wholly or partly attributable, and
 - (b) where [^{F1}property becomes comprised in a settlement by virtue of the chargeable transfer or the chargeable transfer] is made under Part III of this Act, any property comprised in the settlement.
- (2) References in subsection (1) above to any property include references to any property directly or indirectly representing it.
- [^{F2}(2A) Where tax is charged by virtue of Schedule A1 on the value transferred by a chargeable transfer, the reference in subsection (1)(a) to property to the value of which the value transferred is wholly or partly attributable includes the UK residential property interest (within the meaning of that Schedule) to which the charge to tax relates.]
- (3) Where the chargeable transfer is made on death, personal or movable property situated in the United Kingdom which was beneficially owned by the deceased immediately before his death and vests in his personal representatives is not subject to the Inland Revenue charge; and for this purpose [^{F3}“personal property” does not include leaseholds][^{F4}and undivided shares in land held on trust for sale, whether statutory or not,] and the question whether any property was beneficially owned by the deceased shall be determined without regard to section 49(1) above.

Status: Point in time view as at 10/06/2021.

Changes to legislation: There are currently no known outstanding effects for the Inheritance Tax Act 1984, Cross Heading: Inland Revenue charge for unpaid tax. (See end of Document for details)

[^{F5}(3A) In the case of a potentially exempt transfer which proves to be a chargeable transfer—

- (a) property concerned, or an interest in property concerned, which has been disposed of to a purchaser before the transferor’s death is not subject to the Inland Revenue charge, but
- (b) property concerned which has been otherwise disposed of before the death and property which at the death represents any property or interest falling within paragraph (a) above shall be subject to the charge;

and in this subsection “property concerned” means property to the value of which the value transferred by the transfer is wholly or partly attributable.]

[^{F6}(3B) Subsection (3C) below applies to any tax charged—

- (a) under section 32, 32A [^{F7}or 79(3A)] above in respect of any property,
- (b) under paragraph 8 of Schedule 4 to this Act in respect of any property, or
- (c) under paragraph 1 or 3 of Schedule 5 to this Act with respect to any object or property.

^{F6}(3C) Where any tax to which this subsection applies, or any interest on it, is for the time being unpaid, a charge for the amount unpaid is also by virtue of this section imposed in favour of the Board—

- (a) except where the event giving rise to the charge was a disposal to a purchaser of the property or object in question, on that property or object; and
- (b) in the excepted case, on any property for the time being representing that property or object.]

(4) No heritable property situated in Scotland is subject to the Inland Revenue charge, but where such property is disposed of any other property for the time being representing it is subject to the charge to which the first-mentioned property would have been subject but for this subsection.

(5) The Inland Revenue charge imposed on any property shall take effect subject to any incumbrance on it which is allowable as a deduction in valuing that property for the purposes of the tax.

(6) Except as provided by section 238 below, a disposition of property subject to an Inland Revenue charge shall take effect subject to that charge.

Textual Amendments

- F1** Words in s. 237(1)(b) substituted (with effect in accordance with s. 73(11) of the amending Act) by [Finance Act 2020 \(c. 14\), s. 73\(9\)](#)
- F2** S. 237(2A) inserted (with effect in accordance with Sch. 10 para. 9 of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\), Sch. 10 para. 7](#)
- F3** Words in s. 237(3) substituted (27.7.1999 with effect as mentioned in s. 107(3) of the amending Act) by [1999 c. 16, s. 107\(1\)\(3\)](#)
- F4** Words in s. 237(3) repealed (1.1.1997) by [1996 c. 47, s. 25\(2\), Sch. 4](#) (with ss. 24(2), 25(4)(5)); [S.I. 1996/2974, art. 2](#)
- F5** Finance Act 1986 Sch. 19, para. 34, *with effect from 18 March 1986.*
- F6** S. 237(3B)(3C) inserted (27.7.1999 with effect as mentioned in s. 107(3) of the amending Act) by [1999 c. 16, s. 107\(2\)\(3\)](#)
- F7** Words in s. 237(3B)(a) substituted (with effect in accordance with s. 12(9) of the amending Act) by [Finance \(No. 2\) Act 2015 \(c. 33\), s. 12\(8\)\(c\)](#)

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Modifications etc. (not altering text)

C1 S. 237(6) extended (13.10.2003) by 2002 c. 9, ss. 31, 136(2) (with s. 129); S.I. 2003/1725, art. 2(1)

238 Effect of purchases.

- (1) Where property subject to an Inland Revenue charge, or an interest in such property, is disposed of to a purchaser, then if at the time of the disposition—
- (a) in the case of land in England and Wales, the charge was not registered as a land charge or, in the case of registered land, was not protected by notice on the register, or
 - (b) in the case of land in Northern Ireland the title to which is registered under the ^{M1}Land Registration Act (Northern Ireland) 1970, the charge was not entered as a burden on the appropriate register maintained under that Act or was not protected by a caution or inhibition under that Act or, in the case of other land in Northern Ireland, the purchaser had no notice of the facts giving rise to the charge, or
 - (c) in the case of personal property situated in the United Kingdom other than such property as is mentioned in paragraph (a) or (b) above, and of any property situated outside the United Kingdom, the purchaser had no notice of the facts giving rise to the charge, or
 - (d) in the case of any property, a certificate of discharge had been given by the Board under section 239 below and the purchaser had no notice of any fact invalidating the certificate,
- the property or interest shall then cease to be subject to the charge but the property for the time being representing it shall be subject to it.
- (2) Where property subject to an Inland Revenue charge, or an interest in such property, is disposed of to a purchaser in circumstances where it does not then cease to be subject to the charge, it shall cease to be subject to it at the end of the period of six years beginning with the later of—
- (a) the date on which the tax became due, and
 - (b) the date on which a full and proper account of the property was first delivered to the Board in connection with the chargeable transfer concerned.
- (3) In this section “the time of the disposition” means—
- [^{F8}(a) in relation to registered land—
 - (i) if the disposition is required to be completed by registration, the time of registration, and
 - (ii) otherwise, the time of completion,]
 - (b) in relation to other property, the time of completion.

Textual Amendments

F8 S. 238(3)(a) substituted (13.10.2003) by 2002 c. 9, ss. 133, 136(2), Sch. 11 para. 17 (with s. 129); S.I. 2003/1725, art. 2(1)

Modifications etc. (not altering text)

C2 S. 238 extended (13.10.2003) by 2002 c. 9, ss. 31, 136(2) (with s. 129); S.I. 2003/1725, art. 2(1)

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Marginal Citations

M1 1970 c.18 (N.I.).

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