



Inheritance Tax Act 1984

1984 CHAPTER 51

PART VI

VALUATION

CHAPTER I

GENERAL

[^{F1}162B Liabilities attributable to financing certain relievable property

- (1) Subsection (2) applies if—
 - (a) the whole or part of any value transferred by a transfer of value is to be treated as reduced, under section 104, by virtue of it being attributable to the value of relevant business property, and
 - (b) the transferor has a liability which is attributable, in whole or in part, to financing (directly or indirectly)—
 - (i) the acquisition of that property, or
 - (ii) the maintenance, or an enhancement, of its value.
- (2) The liability is, so far as possible, to be taken to reduce the value attributable to the value of the relevant business property, before it is treated as reduced under section 104, but only to the extent that the liability—
 - (a) is attributable as mentioned in subsection (1)(b), and
 - (b) does not reduce the value of the relevant business property by virtue of section 110(b).
- (3) Subsection (4) applies if—
 - (a) the whole or part of any value transferred by a transfer of value is to be treated as reduced, under section 116, by virtue of it being attributable to the agricultural value of agricultural property, and

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Changes to legislation: There are currently no known outstanding effects for the Inheritance Tax Act 1984, Section 162B. (See end of Document for details)

- (b) the transferor has a liability which is attributable, in whole or in part, to financing (directly or indirectly)—
 - (i) the acquisition of that property, or
 - (ii) the maintenance, or an enhancement, of its agricultural value.
- (4) To the extent that the liability is attributable as mentioned in subsection (3)(b), it is, so far as possible, to be taken to reduce the value attributable to the agricultural value of the agricultural property, before it is treated as reduced under section 116.
- (5) Subsection (6) applies if—
 - (a) part of the value of a person's estate immediately before death is attributable to the value of land on which trees or underwood are growing,
 - (b) the value of the trees or underwood is to be left out of account, under section 125(2)(a), in determining the value transferred by the chargeable transfer made on the person's death, and
 - (c) the person has a liability which is attributable, in whole or in part, to financing (directly or indirectly)—
 - (i) the acquisition of the land or trees or underwood,
 - (ii) planting the trees or underwood, or
 - (iii) the maintenance, or an enhancement, of the value of the trees or underwood.
- (6) To the extent that the liability is attributable as mentioned in subsection (5)(c), it is, so far as possible, to be taken to reduce the value of the trees or underwood, before their value is left out of account.
- (7) Subject to subsection (8), to the extent that a liability is, in accordance with this section, taken to reduce value in determining the value transferred by a chargeable transfer, that liability is not then to be taken into account in determining the value transferred by any subsequent transfer of value by the same transferor.
- (8) Subsection (7) does not prevent a liability from being taken into account by reason only that the liability has previously been taken into account in determining the amount on which tax is chargeable under section 64.
- (9) For the purposes of subsections (1) to (4) and (7), references to a transfer of value or chargeable transfer include references to an occasion on which tax is chargeable under Chapter 3 of Part 3 (apart from section 79) and—
 - (a) references to the value transferred by a transfer of value or chargeable transfer include references to the amount on which tax is then chargeable, and
 - (b) references to the transferor include references to the trustees of the settlement concerned.
- (10) In this section—
 - “agricultural property” and “agricultural value” have the same meaning as in Chapter 2 of Part 5;
 - “relevant business property” has the same meaning as in Chapter 1 of Part 5.]

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Textual Amendments

- F1** Ss. 162A-162C inserted (with effect in accordance with Sch. 36 para. 5 of the amending Act) by Finance Act 2013 (c. 29), **Sch. 36 para. 3**

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