



Inheritance Tax Act 1984

1984 CHAPTER 51

PART VII U.K.

LIABILITY

General rules

199 Dispositions by transferor. U.K.

- (1) The persons liable for the tax on the value transferred by a chargeable transfer made by a disposition (including any omission treated as a disposition under section 3(3) above) of the transferor are—
- the transferor;
 - any person the value of whose estate is increased by the transfer;
 - so far as the tax is attributable to the value of any property, any person in whom the property is vested (whether beneficially or otherwise) at any time after the transfer, or who at any such time is beneficially entitled to an interest in possession in the property;
 - where by the chargeable transfer any property becomes comprised in a settlement, any person for whose benefit any of the property or income from it is applied.

[^{F1}(2) Subsection (1)(a) above shall apply in relation to—

- the tax on the value transferred by a potentially exempt transfer; and
- so much of the tax on the value transferred by any other chargeable transfer made within seven years of the transferor's death as exceeds what it would have been had the transferor died more than seven years after the transfer,

with the substitution for the reference to the transferor of a reference to his personal representatives.]

- (3) A purchaser of property, and a person deriving title from or under such a purchaser, shall not by virtue of subsection (1)(c) above be liable for tax attributable to the value of the property unless the property is subject to an Inland Revenue charge.

Changes to legislation: There are currently no known outstanding effects for the Inheritance Tax Act 1984, Section 199. (See end of Document for details)

- (4) For the purposes of this section—
- (a) any person who takes possession of or intermeddles with, or otherwise acts in relation to, property so as to become liable as executor or trustee (or, in Scotland, any person who intromits with property or has become liable as a vitious intromitter), and
 - (b) any person to whom the management of property is entrusted on behalf of a person not of full legal capacity,
- shall be treated as a person in whom the property is vested.
- (5) References in this section to any property include references to any property directly or indirectly representing it.

Textual Amendments

- F1** Finance Act 1986 Sch. 19, para. 26, *with effect from 18 March 1986. Originally*
“(2) Where the chargeable transfer is made within three years of the transferor's death, subsection (1) (a) above shall not apply in relation to so much of the tax as exceeds what it would have been had the transferor died more than three years after the transfer.”.

Changes to legislation:

There are currently no known outstanding effects for the Inheritance Tax Act 1984, Section 199.