



# Finance Act 1985

## 1985 CHAPTER 54

### PART V

#### MISCELLANEOUS AND SUPPLEMENTARY

#### **93 Abolition of development land tax and tax on development gains**

- (1) Development land tax shall not be charged in respect of any disposal taking place on or after 19th March 1985; and for this purpose "disposal" includes a deemed disposal within the meaning of the Development Land Tax Act 1976 (in this section referred to as "the 1976 Act") and any other event which, but for the repeals effected by Part X of Schedule 27 to this Act, would constitute a disposal of an interest in land for the purposes of that Act.
- (2) Without prejudice to subsection (1) above, no realised development value, within the meaning of the 1976 Act, shall accrue to any person on or by reason of any event occurring on or after 19th March 1985.
- (3) In any case where, immediately before 19th March 1985, liability for development land tax stands for the time being deferred as mentioned in section 27 of the 1976 Act, that liability shall be extinguished with effect from that date.
- (4) In any case where—
  - (a) by virtue of paragraph 52 of Schedule 8 to the 1976 Act (postponement of tax on incorporation disposal) an amount of tax is not payable until a time determined in accordance with sub-paragraphs (4) to (6) of that paragraph, and
  - (b) that amount of tax has not become payable before 19th March 1985,that amount of tax shall be remitted with effect from that date.
- (5) Part I of Schedule 25 to this Act shall have effect for supplementing the preceding provisions of this section.
- (6) No part of a chargeable gain which accrues to any person on the disposal of an interest in land on or after 19th March 1985 shall be a development gain by virtue of Chapter 1 of Part III of the Finance Act 1974; and for this purpose "disposal of an interest in

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*Status: This is the original version (as it was originally enacted).*

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land" means any event which, but for the repeals effected by Part X of Schedule 27 to this Act, would be (or be deemed to be) a disposal of an interest in land to which section 38 of that Act would apply.

- (7) In consequence of the preceding provisions of this section and of the repeals effected by Part X of Schedule 27 to this Act, the enactments specified in Part II of Schedule 25 to this Act shall have effect subject to the amendments in that Part; but those amendments do not affect the operation of the enactments concerned in relation to—
- (a) a disposal, as defined in subsection (1) above, taking place before 19th March 1985 ; or
  - (b) a disposal of an interest in land, as defined in subsection (6) above, taking place before that date.

#### **94 Capital transfer tax: conditional exemption**

- (1) Schedule 26 to this Act (which contains amendments about conditional exemption) shall have effect.
- (2) Those amendments have effect in relation to events on or after 19th March 1985.

#### **95 The national heritage: transfer of Treasury functions to Board**

- (1) The functions of the Treasury under—
  - (a) Part II, and section 76 of, and Schedules 3 to 5 to, the Capital Transfer Tax Act 1984 (exempt transfers);
  - (b) section 147 of the Capital Gains Tax Act 1979 (works of art etc.);
  - (c) the enactments re-enacted by those provisions ;
 and the corresponding functions of the Treasury under any earlier enactments relating to capital transfer tax or estate duty, are hereby transferred to the Commissioners of Inland Revenue (" the Board").
- (2) This section shall not affect the validity of anything done by or in relation to the Treasury before the passing of this Act; and anything which at that date is in the process of being done by or in relation to the Treasury may, if it relates to functions transferred by this section to the Board, be continued by or in relation to the Board.
- (3) Any authorisation, designation, direction, approval, determination, or other thing given, made or done by the Treasury in connection with functions transferred by this section shall have effect as if given, made or done by the Board in so far as that is required for continuing its effect after the passing of this Act.
- (4) Any enactment passed or instrument or other document made before the coming into operation of this section shall have effect, so far as may be necessary, for the purpose or in consequence of the transfer of functions effected by this section as if any reference to the Treasury were or included a reference to the Board.

#### **96 European Communities and Investment Bank: exemptions**

- (1) In section 126 of the Finance Act 1984 (tax exemptions in relation to designated international organisations) the following shall be inserted after subsection (3)—
  - “(4) The Treasury may, by order made by statutory instrument, designate any of the Communities or the European Investment Bank for the purposes of this

section, and references in subsections (2) and (3) above to an organisation designated for the purposes of this section include references to a body so designated by virtue of this subsection.

(5) Subsection (3) above, as it applies by virtue of subsection (4) above, shall be read as if the words " under the heading " Bearer Instrument" in Schedule 1 to the Stamp Act 1891 " were omitted."

(2) An order made by virtue of subsection (4) of section 126 of the Finance Act 1984 may revoke or vary the European Communities (Loan Stock) (Stamp Duties) Order 1972 (which provides for exemption from stamp duty in respect of issues and transfers of loan stock of the bodies referred to in that subsection, other than the Economic Community).

**97 Extension of Provisional Collection of Taxes Act 1968 to reduced and composite rates**

In section 1 of the Provisional Collection of Taxes Act 1968, after subsection (1) there shall be inserted the following subsection—

“(1A) The reference in subsection (1) above to income tax includes a reference to any amount payable as representing income tax—

- (a) under section 343 of the Income and Corporation Taxes Act 1970 (dividends and interest payable by building societies); or
- (b) under section 27 of the Finance Act 1984 (interest paid on deposits with banks etc.).”

**98 Short title, interpretation, construction and repeals**

- (1) This Act may be cited as the Finance Act 1985.
- (2) In this Act " the Taxes Act" means the Income and Corporation Taxes Act 1970.
- (3) Part II of this Act, so far as it relates to income tax, shall be construed as one with the Income Tax Acts, so far as it relates to corporation tax, shall be construed as one with the Corporation Tax Acts and, so far as it relates to capital gains tax, shall be construed as one with the Capital Gains Tax Act 1979.
- (4) Part III of this Act shall be construed as one with the Stamp Act 1891.
- (5) Part IV of this Act shall be construed as one with Part I of the Oil Taxation Act 1975.
- (6) The enactments specified in Schedule 27 to this Act are hereby repealed to the extent specified in the third column of that Schedule, but subject to any provision at the end of any Part of that Schedule.