



# Finance (No. 2) Act 1992

## 1992 CHAPTER 48

### PART II

#### INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

### CHAPTER I

#### GENERAL

##### *Business expansion scheme*

#### **40 Extension of relief for private rented housing: lettings to former owner-occupiers**

- (1) In Part II of Schedule 4 to the Finance Act 1988 (extension of business expansion scheme to private rented housing: exclusion of certain dwelling-houses) paragraph 15 shall be amended as follows.
- (2) In sub-paragraph (1), for “Section 50” there shall be substituted “Subject to sub-paragraphs (1A) to (1C) below, section 50”.
- (3) The following sub-paragraphs shall be inserted after sub-paragraph (1)—
  - “(1A) Section 50 of this Act is not precluded from applying to a dwelling-house by sub-paragraph (1)(a) above if the arrangements there mentioned were for letting to a person who was an owner-occupier of the dwelling-house before the relevant date.
  - (1B) Section 50 of this Act is not precluded from applying to a dwelling-house by sub-paragraph (1)(b) above if the letting there mentioned was to a person—
    - (a) who was an owner-occupier of the dwelling-house before the date of the letting, and

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*Status: This is the original version (as it was originally enacted).*

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- (b) to whom the dwelling-house or part is let on a qualifying tenancy by the company or any of its subsidiaries after the relevant date.
- (1C) Section 50 of this Act is not precluded from applying to a dwelling-house by sub-paragraph (1)(c) above if the letting there mentioned was to a person—
- (a) who was an owner-occupier of the dwelling-house before the relevant date, and
  - (b) to whom the dwelling-house or part is let on a qualifying tenancy by the company or any of its subsidiaries after the letting mentioned in sub-paragraph (1)(c).”
- (4) The following sub-paragraphs shall be added after sub-paragraph (2)—
- “(3) For the purposes of this paragraph, a person shall be taken to have been an owner-occupier of a dwelling-house before the relevant date or, as the case may be, the date mentioned in sub-paragraph (1B)(a) above if—
- (a) at any time before that date, he occupied the dwelling-house as his only or principal home and had a freehold interest in it, or
  - (b) for a period of at least two years ending on that date, he occupied the dwelling-house as his only or principal home and had an interest in it under a lease for a term of years certain not less than twenty-one of which remained unexpired at that date.
- (4) In the application of sub-paragraph (3) above to a dwelling-house in Scotland—
- (a) for paragraph (a) there shall be substituted—
    - “(a) at any time before that date he occupied the dwelling-house and—
      - (i) was the absolute owner of it, or
      - (ii) was the owner of the *dominium utile* in it,”;
    - and
  - (b) in paragraph (b) the word “certain” shall be omitted.
- (5) In the application of sub-paragraph (3) above to a dwelling-house in Northern Ireland, any conveyance or assignment of an interest in it by way of mortgage shall be disregarded.”
- (5) This section shall have effect where shares are issued on or after 10th March 1992.