



# Finance Act 2005

## 2005 CHAPTER 7

### PART 4

#### OTHER TAXES

##### *Inheritance tax*

#### 98 Rates and rate bands for the next three years

- (1) For the Table in Schedule 1 to IHTA 1984 (rates and rate bands), as it has effect from time to time, there shall be successively substituted—
- (a) the 2005-06 Table, which shall apply to any chargeable transfer made on or after 6th April 2005 (but before 6th April 2006),
  - (b) the 2006-07 Table, which shall apply to any chargeable transfer made on or after 6th April 2006 (but before 6th April 2007), and
  - (c) the 2007-08 Table, which shall apply to any chargeable transfer made on or after 6th April 2007.
- (2) Subsection (1)(c) is without prejudice to the application of section 8 of IHTA 1984 (indexation) by virtue of the difference between the retail prices index for the month of September in 2006 or any later year and that for the month of September in the following year.
- (3) The 2005-06 Table is—

TABLE OF RATES OF TAX

<i>Portion of value</i>		<i>Rate of tax</i>
<b>Lower limit (£)</b>	<b>Upper limit (£)</b>	<b>Per cent.</b>
0	275,000	Nil
275,000		40

*Status: Point in time view as at 19/07/2006.*

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2005, Part 4. (See end of Document for details)*

(4) The 2006-07 Table is—

TABLE OF RATES OF TAX

<i>Portion of value</i>		<i>Rate of tax</i>
<b>Lower limit (£)</b>	<b>Upper limit (£)</b>	<b>Per cent.</b>
0	285,000	Nil
285,000		40

(5) The 2007-08 Table is—

TABLE OF RATES OF TAX

<i>Portion of value</i>		<i>Rate of tax</i>
<b>Lower limit (£)</b>	<b>Upper limit (£)</b>	<b>Per cent.</b>
0	300,000	Nil
300,000		40

(6) Section 8(1) of IHTA 1984 (indexation of rate bands) shall not have effect as respects any difference between the retail prices index—

- (a) for the month of September 2003 and that for the month of September 2004,
- (b) for the month of September 2004 and that for the month of September 2005, or
- (c) for the month of September 2005 and that for the month of September 2006.

*Landfill tax*

**99 Rate of landfill tax**

- (1) In section 42 of FA 1996 (amount of landfill tax) for the amount specified in subsection (1)(a), and the corresponding amount specified in subsection (2), substitute “£18”.
- (2) The amendments made by this section have effect in relation to taxable disposals made, or treated as made, on or after 1st April 2005.

*Lorry road-user charge*

**100 Lorry road-user charge**

For section 137(7) of FA 2002 (lorry road-user charge: preparatory expenditure) substitute—

“(7) A Minister of the Crown or government department may—

- (a) incur expenditure in connection with preparations for lorry road-user charge (including any fuel credit to be paid in respect of fuelling of lorries chargeable in respect of lorry road-user charge);

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- (b) enter into contracts in respect of the development or provision of equipment, systems or services to be used in connection with lorry road-user charge (including any fuel credit).”

**Status:**

Point in time view as at 19/07/2006.

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 2005, Part 4.