

*Status: Point in time view as at 21/07/2008.*

*Changes to legislation: Finance Act 2008, Paragraph 16 is up to date with all changes known to be in force on or before 20 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

## SCHEDULES

### SCHEDULE 2

#### CAPITAL GAINS TAX REFORM

##### *Rate: consequential*

16 (1) Section 31 (UK resident vulnerable persons: section 77 treatment) is amended as follows.

(2) For subsections (2) and (3) substitute—

“(2) The trustees' liability to capital gains tax for the tax year is to be reduced by an amount equal to—

#### TQTG – VQTG

where—

TQTG is the amount of capital gains tax to which the trustees would (apart from this Chapter) be liable for the tax year in respect of the qualifying trust gains, and

VQTG is the amount arrived at under subsection (3).

(3) That amount is—

#### TLVA – TLVB

where—

TLVB is the total amount of capital gains tax to which the vulnerable person is liable for the tax year, and

TLVA is what TLVB would be if the qualifying trust gains accrued to the vulnerable person (instead of to the trustees) and no allowable losses were deducted from the qualifying trust gains.”

(3) In the heading, for “**section 77 treatment**” substitute “**amount of relief**”.

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