



# Finance Act 1956

## 1956 CHAPTER 54

### PART II

#### INCOME TAX (CHARGE OF TAX, AND GENERAL)

#### **19 Relief from surtax for estate duty on accrued income**

- (1) Where any income, having accrued before the death of any person, is taken into account both—
  - (a) in estimating the principal value of an estate for the purposes of any estate duty payable on his death; and
  - (b) in ascertaining for the purposes of Part XIX of the Income Tax Act, 1952, the residuary income of his estate for any year of assessment,  
that residuary income shall be treated as reduced, by an amount calculated in accordance with the following provisions of this section, in ascertaining the liability to surtax of any person having an absolute interest in the residue of that or any other estate or part thereof.
- (2) The amount of the reduction shall be an amount which, after deduction of income tax at the standard rate for the said year of assessment, would equal the amount of estate duty payable in respect of so much of the income taken into account as mentioned in the foregoing subsection as exceeds any liabilities so taken into account.
- (3) The amount of estate duty payable in respect of any income taken into account in estimating the principal value of an estate shall be taken to be an amount which bears the same proportion to the total duty payable in respect of that estate as the amount of the income bears to the principal value of that estate, subject however to any correction falling to be made under the next following subsection.
- (4) The said proportion shall be corrected by adding to or subtracting from the amount of the total duty such amounts (if any) as may be necessary to adjust the amount of the total duty to what it would have been if—

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*Status: This is the original version (as it was originally enacted). This item of legislation is currently only available in its original format.*

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- (a) duty on all the property taken into account in estimating the principal value of the estate had been payable at the highest rate at which duty on any of that property was payable ; and
  - (b) no duty had been payable on any property not so taken into account;
- and, where the estate includes an interest in expectancy and duty in respect of that interest is not paid with the duty in respect of the rest of the estate, by excluding from the total duty the duty payable in respect of the interest when it falls into possession, and from the principal value of the estate the value of that interest.
- (5) The amount of any income accruing before the death of any person and taken into account in estimating the principal value of an estate shall (whether or not the income was valued separately or its amount known at the date of the death) be taken to be the actual amount so accruing less income tax at the standard rate for the year of assessment in which the death occurred.
  - (6) The amounts agreed between the persons accountable for estate duty and the Commissioners of Inland Revenue (or, as respects estate duty payable under the law of Northern Ireland, the Ministry of Finance for Northern Ireland), or determined in proceedings between them, as being respectively the principal value of an estate and the amount of any estate duty payable shall be conclusive for the purposes of this section; and evidence of those amounts and of any facts relevant to their computation may be given by the production of a document purporting to be a certificate from those Commissioners or, as the case may be, that Ministry.
  - (7) In this section—
    - (a) references to estate duty payable include references to any estate duty that would have been payable but for any relief in respect of duty payable under the law of any country outside the United Kingdom, other than relief given by way of allowance from the value of any property; and
    - (b) references to liabilities taken into account in ascertaining the amount of the residuary income of an estate include references to liabilities allowed or allowable in computing its aggregate income.
  - (8) This section shall be construed as if contained in Part XIX of the Income Tax Act, 1952.
  - (9) This section shall have effect as respects tax for the year 1956-57 and subsequent years of assessment.