

STATUTORY INSTRUMENTS

1994 No. 3011

INHERITANCE TAX

The Inheritance Tax (Indexation) Order 1994

Made - - - - 29th November 1994

The Treasury, in pursuance of section 8(4) of the Inheritance Tax Act 1984(1), hereby make the following Order:

1. This Order may be cited as the Inheritance Tax (Indexation) Order 1994.
2. The amounts which, unless Parliament otherwise determines, will be treated by virtue of section 8 of the Inheritance Tax Act 1984 as specified in the Table in Schedule 1 to that Act(2) in relation to chargeable transfers on or after 6th April 1995 are as follows—

TABLE OF RATES OF TAX

<i>Portion of value</i>		<i>Rate of tax</i>
<i>Lower Limit</i>	<i>Upper Limit</i>	<i>Per cent</i>
£	£	
0	154,000	NIL
154,000	—	40

(1) 1984 c. 51. Section 8 was amended by section 101(3) of, and paragraph 3 of Schedule 19 to, the Finance Act 1986 (c. 41) (subject to Part II of Schedule 19 to that Act), section 136(3) of, and Part X of Schedule 14 to, the Finance Act 1988 (c. 39) and section 197 of the Finance Act 1993 (c. 34), and by article 6(4) of, and paragraph 5 of Schedule 2 to, the Transfer of Functions (Economic Statistics) Order 1989 (S.I. 1989/992). Section 8(1) was disappplied in relation to chargeable transfers made in the years beginning 6th April 1987, 6th April 1988, 6th April 1992, 6th April 1993 and 6th April 1994 by section 57(1) of the Finance Act 1987 (c. 16), section 136(2) of the Finance Act 1988, section 72(2) of the Finance (No.2) Act 1992 (c. 48), section 196 of the Finance Act 1993 and section 246 of the Finance Act 1994 (c. 9) respectively. By virtue of section 100(1) and (2) of the Finance Act 1986, on and after 25th July 1986 the Capital Transfer Tax Act 1984 may be cited as the Inheritance Tax Act 1984, and any reference in that Act to capital transfer tax is to have effect as a reference to inheritance tax, except where the reference relates to a liability arising before 25th July 1986.

(2) The Table in Schedule 1 was substituted by section 72(1) of the Finance (No.2) Act 1992 in relation to chargeable transfers made on or after 10th March 1992; the Table also applies, by virtue of section 196 of the Finance Act 1993 and section 246 of the Finance Act 1994, to chargeable transfers made in the years beginning 6th April 1993 and 6th April 1994 respectively. Previously, the Table in that Schedule was substituted by the Inheritance Tax (Indexation) Orders 1991, 1990 and 1989 (S.I. 1991/735, 1990/680, 1989/468) in relation to chargeable transfers made on or after 6th April 1991, 1990 and 1989 respectively; and prior to that, the Table in that Schedule was substituted by section 136(1) of the Finance Act 1988 and by section 57(2) of the Finance Act 1987 in relation to chargeable transfers made on or after 15th March 1988 and 17th March 1987 respectively. Prior to that, the Table was that substituted by section 101(3) of, and paragraph 36 of Schedule 19 to, the Finance Act 1986 with respect to transfers of value made, and other events occurring on or after 18th March 1986, subject to Part II of Schedule 19 to that Act.

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

29th November 1994

Timothy Kirkhope
Tim Wood
Two of the Lords Commissioners of Her
Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

This Order, made under section 8 of the Inheritance Tax Act 1984 (formerly the Capital Transfer Tax Act 1984) (“section 8”) substitutes a new Table of rate bands and rates in Schedule 1 to that Act for the Table which was substituted by section 72(1) of the Finance (No. 2) Act 1992 and applied, by section 196 of the Finance Act 1993 and section 246 of the Finance Act 1994, to chargeable transfers made in the years beginning 6th April 1993 and 6th April 1994 respectively.

The figures in the first and second columns of the new Table are the amounts specified in the Table in Schedule 1 to the Inheritance Tax Act 1984 (as so substituted) increased by the amount of the percentage increase in the retail prices index for September 1994 over that for September 1993, and rounded up to the nearest £1,000 in accordance with subsections (2) and (3) of section 8 (as amended by paragraph 3 of Schedule 19 to the Finance Act 1986 and section 197 of the Finance Act 1993). The “retail prices index” is defined in subsection (3) of section 8, as amended by paragraph 5 of Schedule 2 to the Transfer of Functions (Economic Statistics) Order 1989 (S.I.1989/992), as “the general index of retail prices (for all items) published by the Central Statistical Office of the Chancellor of the Exchequer”. The retail prices index for September 1993 is 141.9 and for September 1994 is 145.0 (based on January 1987 as 100) (see Table 6.4 on page S56 of the November 1994 number of the *Employment Gazette*, the official journal of the Department of Employment).

The new Table will apply in relation to chargeable transfers on or after 6th April 1995 unless Parliament otherwise determines.