# Finance Act, 1984

Amendment of Second Schedule to Principal Act.

**111.**—The Second Schedule to the Principal Act is hereby amended—

(*a*) in Part I, by the substitution of the following paragraphs for paragraphs 1 to 5 and 7:

"1. In this Schedule—

'class threshold', in relation to a taxable gift or a taxable inheritance taken on a particular day, means—

(*a*) £150,000, where the donee or successor is on that day the spouse, child, or minor child of a deceased child, of the disponer;

(*b*) £20,000, where the donee or successor is, on that day, a lineal ancestor, a lineal descendant (other than a child, or a minor child of a deceased child), a brother, a sister, or a child of a brother or of a sister, of the disponer;

(*c*) £10,000, where the donee or successor does not, on that day, stand to the disponer in a relationship referred to in subparagraph (*a*) or (*b*);

'revised class threshold', in relation to a taxable gift or a taxable inheritance included in any aggregate of taxable values under the provisions of paragraph 3, means—

(*a*) the class threshold that applies to that taxable gift or taxable inheritance, or

(*b*) the total of the taxable values of all the taxable gifts and taxable inheritances to which that class threshold applies and which are included in that aggregate,

whichever is the lesser:

Provided that where the revised class threshold so ascertained is less than the smallest of the class thresholds that apply in relation to all of the taxable gifts and taxable inheritances included in that aggregate, the revised class threshold shall be that smallest class threshold;

'Table' means the Table contained in Part II of this Schedule;

'threshold amount', in relation to the computation of tax on any aggregate of taxable values under the provisions of paragraph 3, means the greatest of the revised class thresholds that apply in relation to all of the taxable gifts and taxable inheritances included in that aggregate.

2. In the Table 'value' means the appropriate aggregate referred to in paragraph 3.

3. Subject to the provisions of paragraph 6, the tax chargeable on the taxable value of a taxable gift or a taxable inheritance taken by a donee or successor shall be of an amount equal to the amount by which the tax, computed at the rate or rates of tax applicable under the Table, on the aggregate of—

(*a*) that taxable value; and

(*b*) the taxable values of all taxable gifts and taxable inheritances (if any) taken previously by that donee or successor on or after the 2nd day of June, 1982,

exceeds the tax, computed at the rate or rates of tax applicable under the Table, on the aggregate of the taxable values of all taxable gifts and taxable inheritances so previously taken (if any):

Provided that the tax so chargeable on the taxable value of a taxable gift or a taxable inheritance shall not be greater than an amount equal to the tax computed at the rate or rates applicable under the Table to such part of the aggregate of the values referred to in *subparagraphs (a)* and *(b)* as is the highest part of that aggregate and is equal to that taxable value.

5. In the Table any rate of tax shown in the second column is that applicable to such portion of the value (within the meaning of paragraph 2) as is shown in the first column.

7. For the purposes of this Schedule, all gifts and inheritances taken by a donee or successor on the same day shall (except for the purposes of the determination of the threshold amount) count as one, and to ascertain the amount of tax payable on one gift or inheritance of several taken on the same day, the amount of tax computed under this Schedule as being payable on the total of the gifts and inheritances taken on that day shall be apportioned rateably, according to the taxable values of the several taxable gifts and taxable inheritances taken on that day.".

(*b*) in Part II, by the substitution of the following Table for Tables I to IV:

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TABLE

| Portion of Value | Rate of tax |
|---|---|
| | Per cent. |
| The threshold amount | Nil |
| The next £10,000 | 20 |
| The next £40,000 | 30 |
| The next £50,000 | 35 |
| The next £50,000 | 40 |
| The next £50,000 | 45 |
| The balance | 55 |

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