



# Finance Act 1998

## 1998 CHAPTER 36

### PART III

#### INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

### CHAPTER II

#### TAXATION OF CHARGEABLE GAINS

##### *Abolition of reliefs*

#### **140 Phasing out of retirement relief**

- (1) In Schedule 6 to the Taxation of Chargeable Gains Act 1992 (retirement relief etc.), paragraph 13(1) (amount available for relief: basic rule) shall have effect, in relation to qualifying disposals in a year of assessment specified in the first column of the following Table, as if—
- (a) for the references to £250,000 there were substituted references to the amount specified in the second column of that Table; and
  - (b) for the reference to £1 million there were substituted a reference to the amount specified in the third column of that Table.

TABLE

<i>Year</i>	<i>£250,000</i>	<i>£1 million</i>
1999-00	£200,000	£800,000
2000-01	£150,000	£600,000
2001-02	£100,000	£400,000
2002-03	£50,000	£200,000

---

*Status: This is the original version (as it was originally enacted).*

---

- (2) The following provisions, namely—
- (a) section 163 of that Act (relief for disposals by individuals on retirement from family business),
  - (b) section 164 of that Act (other retirement relief), and
  - (c) Schedule 6 to that Act,
- shall cease to have effect in relation to disposals in the year 2003-04 and subsequent years of assessment.
- (3) In section 157 of that Act (trade carried on by family company), for the words “within the meaning of Schedule 6” there shall be substituted the words “that is to say, a company the voting rights in which are exercisable, as to not less than 5 per cent., by him”.
- (4) In subsection (8) of section 165 of that Act (relief for gifts of business assets), for paragraph (a) there shall be substituted the following paragraphs—
- “(a) “personal company”, in relation to an individual, means a company the voting rights in which are exercisable, as to not less than 5 per cent., by that individual;
  - (aa) “holding company”, “trading company” and “trading group” have the meanings given by paragraph 22 of Schedule A1; and”.
- (5) In the following provisions, namely—
- (a) subsection (8) of section 228 of that Act (conditions for roll-over relief: supplementary), and
  - (b) subsection (14)(b) of section 253 of that Act (relief for loans to traders),
- for the words “paragraph 1 of Schedule 6” there shall be substituted the words “paragraph 22 of Schedule A1”.
- (6) Subsections (3) to (5) above have effect in relation to the year 2003-04 and subsequent years of assessment.

#### **141 Abolition of certain other CGT reliefs**

- (1) The following provisions of the Taxation of Chargeable Gains Act 1992 shall cease to have effect, namely—
- (a) Chapter IA of Part V (roll-over relief on re-investment); and
  - (b) sections 254 and 255 (relief for debts on qualifying corporate bonds).
- (2) In subsection (1) above—
- (a) paragraph (a) has effect in relation to acquisitions made on or after 6th April 1998; and
  - (b) paragraph (b) has effect in relation to loans made on or after 17th March 1998.