

*Status: Point in time view as at 22/03/2006.*

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2006, Cross Heading: Person's "estate" not to include certain interests in possession. (See end of Document for details)*

## SCHEDULES

### SCHEDULE 20

#### INHERITANCE TAX: RULES FOR TRUSTS ETC

#### PART 3

#### RELATED AMENDMENTS IN IHTA 1984

*Person's "estate" not to include certain interests in possession*

- 10 (1) Section 5 of IHTA 1984 (meaning of "estate") is amended as follows.
- (2) In subsection (1) (person's estate is aggregate of all property to which person beneficially entitled, except that person's estate immediately before death does not include excluded property), for "except that the" substitute "except that—
- (a) the estate of a person—
    - (i) does not include an interest in possession in settled property to which section 71A or 71D below applies, and
    - (ii) does not include an interest in possession that falls within subsection (1A) below, and
  - (b) the".
- (3) After subsection (1) insert—
- "(1A) An interest in possession falls within this subsection if—
- (a) it is an interest in possession in settled property,
  - (b) the settled property is not property to which section 71A or 71D below applies,
  - (c) the person is beneficially entitled to the interest in possession,
  - (d) the person became beneficially entitled to the interest in possession on or after 22nd March 2006, and
  - (e) the interest in possession is—
    - (i) not an immediate post-death interest,
    - (ii) not a disabled person's interest, and
    - (iii) not a transitional serial interest."

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