
STATUTORY INSTRUMENTS

2006 No. 875

The Stamp Duty Land Tax (Amendment to the Finance Act 2003) Regulations 2006

Amendment to the Finance Act 2003

3. In Schedule 4 (chargeable consideration for the purposes of stamp duty land tax) after paragraph 16 insert—

“Purchaser bearing inheritance tax liability

16A. Where—

(a) there is a land transaction that is—

(i) a transfer of value within section 3 of the Inheritance Tax Act 1984⁽¹⁾ (transfers of value), or

(ii) a disposition, effected by will or under the law of intestacy, of a chargeable interest comprised in the estate of a person immediately before his death,

and

(b) the purchaser is or becomes liable to pay, agrees to pay or does in fact pay any inheritance tax due in respect of the transfer or disposition,

his liability, agreement or payment does not count as chargeable consideration for the transaction.

Purchaser bearing capital gains tax liability

16B.—(1) Where—

(a) there is a land transaction under which the chargeable interest in question—

(i) is acquired otherwise than by a bargain made at arm’s length, or

(ii) is treated by section 18 of the Taxation of Chargeable Gains Act 1992⁽²⁾ (connected persons) as so acquired,

and

(b) the purchaser is or becomes liable to pay, or does in fact pay, any capital gains tax due in respect of the corresponding disposal of the chargeable interest,

his liability or payment does not count as chargeable consideration for the transaction.

(2) Sub-paragraph (1) does not apply if there is chargeable consideration for the transaction (disregarding the liability or payment referred to in sub-paragraph (1)(b)).

(1) 1984 c. 51. By virtue of section 100(1) and (2) of the Finance Act 1986 (c. 41), on and after 25th July 1986 the Capital Transfer 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 to tax arising before 25th July 1986.

(2) 1992 c. 12.

Status: This is the original version (as it was originally made).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

Costs of enfranchisement

16C. Costs borne by the purchaser under section 9(4) of the Leasehold Reform Act 1967⁽³⁾ or section 33 of the Leasehold Reform, Housing and Urban Development Act 1993⁽⁴⁾ (costs of enfranchisement) do not count as chargeable consideration.”

⁽³⁾ 1967 c. 88.
⁽⁴⁾ 1993 c. 28.