STATUTORY INSTRUMENTS

1967 No. 945 (S.70)

LAND COMMISSION

The Betterment Levy (Tenancies and Reversions) (Scotland) (No. 2) Regulations 1967

Made - - - - -	22*nd June* 1967
Laid before the House of Commons	28*th June* 1967
Coming into Operation - -	1*st August* 1967

In exercise of the powers conferred on me by section 98 of, and paragraph 12 of Schedule 6 to, the Land Commission Act 1967(a), and of all other powers enabling me in that behalf, I, being for the purposes of these regulations the appropriate Minister in relation to Scotland, hereby make the following regulations:—

Citation, extent, commencement and interpretation

1.—(1) These regulations, which may be cited as the Betterment Levy (Tenancies and Reversions) (Scotland) (No. 2) Regulations 1967, apply to Scotland and shall come into operation on 1st August 1967.

(2) These regulations shall be construed as one with the Betterment Levy (Tenancies and Reversions) (Scotland) Regulations 1967(b).

Surrenders of tenancies

2.—(1) For the purpose of assessing levy in respect of a chargeable act or event where—

(*a*) the relevant interest is a tenancy to which this regulation applies,

(*b*) the chargeable act or event is a surrender of that interest by the tenant to the landlord for valuable consideration, not being a surrender made in consideration of, or in pursuance of an agreement for, the grant of a new tenancy, and

(*c*) as a result of the chargeable act or event the relevant interest merged in the reversion which arose on the grant of that interest, it shall be assumed that the relevant interest did not merge in the reversion but continued to exist as a separate interest.

(2) This regulation applies to a tenancy of the relevant land which was granted, renewed or extended for a term of years certain (whether for not less than, or less than, seven years) or which was granted on a periodic tenancy for the purpose of winning or working minerals, whether by underground or surface working.

(3) For the purpose of this regulation any such surrender as is referred to in paragraph (4)(*a*) of regulation 3 (renewals, extensions and variations of tenancies) of the Case F General (Scotland) Regulations 1967(c) shall be treated as being a surrender in consideration of the grant of a new tenancy.

(4) In this regulation "minerals" includes all minerals and substances in or under land of a kind ordinarily worked for removal by underground or surface working except that it does not include peat cut for purposes other than sale.

(a) 1967 c. 1. (b) S.I. 1967/324 (1967 I, p. 1102). (c) S.I. 1967/492 (1967 I, p. 1631).

Sales of reversions to tenants

3. For the purpose of assessing levy in respect of a chargeable act or event where—

(*a*) the relevant interest is the reversion which arose on the grant of a tenancy to which regulation 2 of these regulations applies,

(*b*) the chargeable act or event is a conveyance or assignation on sale of that interest to the tenant under that tenancy, and

(*c*) as a result of the chargeable act or event the tenancy merged in the relevant interest,

it shall be assumed that the tenancy did not merge in the relevant interest but continued to exist as a separate interest.

Saving

4. The assumptions required to be made by regulations 2 and 3 of these regulations shall not affect the application of paragraph 22(1) of Schedule 5 for the purpose of assessing levy in respect of any chargeable act or event subsequent to the chargeable act or event to which the regulation in question refers.

William Ross,
One of Her Majesty's Principal
Secretaries of State.

St. Andrew's House,
Edinburgh, 1.
22nd June 1967.

EXPLANATORY NOTE

(This Note is not part of the regulations.)

These regulations deal with the assessment of betterment levy where either on a surrender of a tenancy to a landlord for a monetary consideration or on a purchase by a tenant of the reversion on his tenancy the tenancy merges in the reversion. Under paragraph 3 of Schedule 4 to the Land Commission Act 1967 it is necessary on an assessment of levy to ascertain the current use value of the relevant interest immediately after the chargeable act or event. These regulations make provision for what the relevant interest is to be taken to be where as a result of the chargeable act or event the tenancy which was the relevant interest has merged in the reversion (regulation 2) or the reversion which was the relevant interest is one in which a tenancy held by the purchaser has merged (regulation 3). In effect they provide that the value shall be ascertained as if no merger had taken place.

The regulations are not limited in their application to the ascertainment of current use value for the purpose of Schedule 4 but have a wider import. They affect for instance the modified value of a dutiable interest under Schedule 7 to the Act which will be either derived solely from current use value or will be an amount adjusted by reference to it.

The regulations apply to Scotland.