STATUTORY INSTRUMENTS

1983 No. 403
CAPITAL TRANSFER TAX

The Capital Transfer Tax (Indexation) Order 1983

Made - - - - 15*th March* 1983

The Treasury, in pursuance of section 91(4) of the Finance Act 1982(**a**), hereby make the following order:—

1. This Order may be cited as the Capital Transfer Tax (Indexation) Order 1983.

2. The amounts which, unless Parliament otherwise determines, shall be treated by virtue of section 91 of the Finance Act 1982 as specified in the Tables in section 37(3) of the Finance Act 1975(**b**) in relation to chargeable transfers on or after 6th April 1983 are as follows:—

FIRST TABLE

Portion of value		Rate of tax
Lower limit	Upper limit	Per cent
£	£	
0	58,000	Nil
58,000	80,000	30
80,000	106,000	35
106,000	138,000	40
138,000	174,000	45
174,000	211,000	50
211,000	264,000	55
264,000	686,000	60
686,000	1,318,000	65
1,318,000	2,636,000	70
2,636,000	—	75

SECOND TABLE

Portion of value		Rate of tax
Lower limit	Upper limit	Per cent
£	£	
0	58,000	Nil
58,000	80,000	15
80,000	106,000	17½
106,000	138,000	20
138,000	174,000	22½
174,000	211,000	25

(**a**) 1982 c. 39. (**b**) 1975 c. 7.

SECOND TABLE (Continued)

Portion of value		Rate of tax
Lower limit	Upper limit	Per cent
£	£	
211,000	264,000	30
264,000	686,000	35
686,000	1,318,000	40
1,318,000	2,636,000	45
2,636,000	—	50

J. A. Cope,
Alastair Goodlad,
Two of the Lords Commissioners
of Her Majesty's Treasury.

15th March 1983.

EXPLANATORY NOTE

(*This Note is not part of the Order.*)

Section 91 of the Finance Act 1982 provides that the Treasury shall by order made by statutory instrument before 6th April 1983 (and likewise each subsequent year) specify the amounts which, by virtue of that section, unless Parliament otherwise determines, will be treated as specified for that year. These are the rate bands for capital transfer tax (section 37(3), Finance Act 1975), increased in accordance with the increase in the retail prices index for December 1982 over that for December 1981. Section 91(2) provides that the new figures for each rate band shall be rounded upward to the nearest £1,000. The "retail prices index" is defined in section 91(3) as "the general index of retail prices (for all items) published by the Department of Employment".

The retail prices index for December 1981 is 308.8 and for December 1982 325.5 (based on January 1974 as 100) (Table 6.4 of the Employment Gazette, January 1983). This Order specifies the amounts which take account of that increase. They will have effect for chargeable transfers on or after 6th April 1983 unless Parliament otherwise determines.

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