

Surcharge for undervaluation of property. FA 1989 s79 53.—(1) In this section “ascertained value” means the market value subject to the right of appeal under section 66 or section 67.

(2) Where—

(a) an accountable person delivers a return, and

(b) the estimate of the market value of any asset comprised in a gift or inheritance and included in that return, when expressed as a percentage of the ascertained value of that asset, is within any of the percentages specified in column (1) of the Table to this section,

then the amount of tax attributable to the property which is that asset is increased by a sum (in this section referred to as the “surcharge”) equal to the corresponding percentage, set out in column (2) of that Table opposite the relevant percentage in column (1), of that amount of tax.

(3) Interest is payable under section 51 on any surcharge as if the surcharge were tax, and the surcharge and any interest on that surcharge is chargeable and recoverable as if the surcharge and that interest were part of the tax.

(4) Any person aggrieved by the imposition on that person of a surcharge under this section in respect of any asset may, within 30 days of the notification to that person of the amount of such surcharge, appeal to the Appeal Commissioners against the imposition of such surcharge on the grounds that, having regard to all the circumstances, there were sufficient grounds on which that person might reasonably have based that person's estimate of the market value of the asset.

(5) The Appeal Commissioners shall hear and determine an appeal to them under subsection (4) as if it were an appeal to them against an assessment to tax, and the provisions of section 67 relating to an appeal or to the rehearing of an appeal or to the statement of a case for the opinion of the High Court on a point of law shall, with any necessary modifications, apply accordingly.

TABLE

Estimate of the market value of the asset in the return, expressed as a percentage of the ascertained value of that asset    Surcharge    (1)    (2)    Equal to or greater than 0 per cent but less than 40 per cent    30 per cent    Equal to or greater than 40 per cent but less than 50 per cent    20 per cent    Equal to or greater than 50 per cent but less than 67 per cent    10 per cent