

Disposals where assets lost or destroyed or become of negligible value. CGTA75 s12(3), (4) and (5) 538.—(1) Subject to the Capital Gains Tax Acts and in particular to section 540, the occasion of the entire loss, destruction, dissipation or extinction of an asset shall for the purposes of those Acts constitute a disposal of the asset whether or not any capital sum as compensation or otherwise is received in respect of the destruction, dissipation or extinction of the asset.

(2) Where on a claim by the owner of an asset the inspector is satisfied that the value of an asset has become negligible, the inspector may allow the claim, and thereupon the Capital Gains Tax Acts shall apply as if the claimant had sold and immediately reacquired the asset for a consideration of an amount equal to the value specified in the claim.

(3) For the purposes of subsections (1) and (2), a building and any permanent or semi-permanent structure in the nature of a building may be regarded as an asset separate from the land on which it is situated; but, where either of those subsections applies in accordance with this subsection, the person deemed to make the disposal of the building shall be treated as if such person had also sold and immediately reacquired the site of the building or structure (including in the site any land occupied for purposes ancillary to the use of the building or structure) for a consideration equal to its market value at that time.