

Heritage property of companies. FA 1995 s166(1) to (7) 78.—(1) In this section—

“relevant heritage property” means any one or more of the following—

(a) objects to which section 77 (1) applies,

(b) a house or garden referred to in section 77 (6);

“private company” has the meaning assigned to it by section 27;

“subsidiary” has the meaning assigned to it by section 155 of the Companies Act 1963 .

(2) Where a gift or inheritance consists in whole or in part—

(a) at the date of the gift or at the date of the inheritance, and

(b) at the valuation date,

of one or more shares in a private company which (after the taking of the gift or inheritance) is, on the date of the gift or on the date of the inheritance, a company controlled by the donee or successor within the meaning of section 27, then each such share is, to the extent that its market value for tax purposes is, at the valuation date, attributable to relevant heritage property, exempt from tax and the value of such relevant heritage property is, to that extent, not to be taken into account in computing tax on any gift or inheritance taken by that person unless the exemption ceases to apply under subsection (5) or (6), subject to the condition that the relevant heritage property was in the beneficial ownership of the company on 12 April 1995, or in the beneficial ownership on that date of another company which was on that date a subsidiary of the first-mentioned company.

(3) Section 89 (5) shall apply, for the purposes of subsection (2), as it applies in relation to agricultural property.

(4) Where in relation to a gift or inheritance—

(a) a part of a share in a private company is exempt from tax by virtue of subsection (2), and

(b) such share is relevant business property within the meaning of Chapter 2 of Part 10,

then the relevant heritage property to which the market value of such share is partly attributable is disregarded in determining for the purposes of that Chapter what part of the taxable value of that gift or inheritance is attributable to such share; but the amount of the reduction (if any) which would but for subsection (2) fall to be made under that Chapter in respect of such share shall not otherwise be restricted notwithstanding subsection (2).

(5) If a share in a private company which is exempted in whole or in part from tax by virtue of subsection (2) is sold within 6 years after the valuation date, and before the death of the donee or successor, the exemption referred to in subsection (2) shall, subject to subsection (7), cease to apply to such share.

(6) Where the whole or part of the market value of a share in a private company which is comprised in a gift or inheritance is on the valuation date attributable to an item of relevant heritage property and—

(a) that item of relevant heritage property is sold within 6 years after the valuation date, and before the death of the donee or successor, or

(b) at any time after the valuation date and—

(i) before the sale of such share or such item of relevant heritage property,

(ii) before the death of the donee or successor, and

(iii) before such share or such item of relevant heritage property forms part of the property comprised in a subsequent gift or inheritance in respect of which gift or inheritance an absolute interest is taken by a person other than the spouse of that donee or successor,

there has been a breach of any condition specified in section 77 (1)(b) or (c) or section 77 (6)(c),

then the exemption referred to in subsection (2) shall, subject to subsection (7), cease to apply to such share to the extent that that market value is attributable to such item of relevant heritage property.

(7) Notwithstanding subsections (5) and (6), the exemption referred to in subsection (2) shall continue to apply if the sale of the share referred to in subsection (5), or the sale of the item of relevant heritage property referred to in subsection (6), is a sale by private treaty to the National Gallery of Ireland, the National Museum of Science and Art or any other similar national institution, any university in the State or any constituent college of such university, a local authority or the Friends of the National Collections of Ireland.