

Free use of property, free loans, etc. CATA 1976 s31 40.—(1) In subsections (2) and (4), “relevant period”, in relation to any use, occupation or enjoyment of property, means the period of 12 months ending on 31 December in each year.

(2) A person is deemed to take a gift in each relevant period during the whole or part of which that person is allowed to have the use, occupation or enjoyment of any property (to which property that person is not beneficially entitled in possession) otherwise than for full consideration in money or money's worth.

(3) A gift referred to in subsection (2) is deemed to consist of a sum equal to the difference between the amount of any consideration in money or money's worth, given by the person referred to in subsection (2) for such use, occupation or enjoyment, and the best price obtainable in the open market for such use, occupation or enjoyment.

(4) A gift referred to in subsection (2) is treated as being taken at the end of the relevant period or, if earlier, immediately prior to the time when the use, occupation or enjoyment referred to in subsection (2) comes to an end.

(5) In any case where the use, occupation or enjoyment of property is allowed to a person, not being beneficially entitled in possession to that property, under a disposition—

(a) made by will,

(b) where the date of the disposition is on or after 1 April 1975 and within 2 years prior to the death of the disponent, or

(c) which is a disposition inter vivos and the use, occupation or enjoyment is had by that person after the cesser of another person's life interest,

subsections (2), (3) and (4) shall apply in relation to that property as if a reference to an inheritance were substituted for the reference to a gift wherever it occurs in those subsections, and for the purpose of this subsection “relevant period” in subsections (2) and (4), in relation to the use, occupation or enjoyment of property, means the period of 12 months ending on 31 December in any year.

(6) For the purposes of sections 6 (1)(c), 6 (2)(d), 11 (1)(b) and 11 (2)(c), the sum referred to in subsection (3) is deemed not to be situate in the State at the date of the gift or at the date of the inheritance.