

Allowance for capital gains tax on the same event. FA 1985 s63 104.—(1) Where gift tax or inheritance tax is charged in respect of property on an event happening on or after the date of the passing of this Act, and the same event constitutes for capital gains tax purposes a disposal of an asset (being the same property or any part of the same property), the capital gains tax, if any, chargeable on the disposal is not deducted in ascertaining the taxable value for the purposes of the gift tax or inheritance tax but, in so far as it has been paid, is deducted from the net gift tax or inheritance tax as a credit against the same; but, in relation to each asset, or to a part of each asset, so disposed of, the amount deducted is the lesser of—

(a) an amount equal to the amount of the capital gains tax attributable to such asset, or to the part of such asset, or

(b) an amount equal to the amount of the gift tax or inheritance tax attributable to the property which is that asset, or that part of that asset.

(2) For the purposes of any computation of the amount of capital gains tax to be deducted under this section, any necessary apportionments are made of any reliefs or expenditure and the method of apportionment adopted is such method as appears to the Commissioners, or on appeal to the Appeal Commissioners, to be just and reasonable.