



Finance Act 1988

CHAPTER 39

FINANCE ACT 1988

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Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Finance Act 1988. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

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- 1 (1) In subsection (2) of section 1 of the Alcoholic...
2

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- 3
- 4 After subsection (4) of section 54 of that Act (wine:...
- 5 (1) After subsection (4) of section 55 of that Act...
- 6 After section 55 of that Act there shall be inserted—...
- 7 In section 59 of that Act (rendering imported wine or...
- 8
- 9 Section 63 of that Act (repayment of duty on imported...
- 10 At the end of subsection (1) of section 71 of...
- 11
- 12 At the end of subsection (1) of section 73 of...
- 13 In Schedule 1 to that Act, for the Table of...

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- 3
- 4
- 5
- 6

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Part I — AMENDMENTS OF THE TAXES ACT 1988

Introductory

- 1 The Taxes Act 1988 shall have effect subject to the...

Commencement of trade etc.

- 2 In section 62 (special basis for early years following commencement...

Discontinuance of trade etc.

- 3 In section 63 (special basis on discontinuance of trade etc....

Underpayments

- 4 In section 203 (PAYE) the following subsection shall...

Additional relief in respect of children

- 5
- 6

Widow's bereavement allowance

- 7 (1) The section set out in sub-paragraph (2) below shall...

Blind person's allowance

- 8 For the year 1990-91 and subsequent years of assessment the...

Life assurance premiums

- 9 For the year 1990-91 and subsequent years of assessment section...

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10 For the year 1990-91 and subsequent years of assessment the...

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11 For the year 1990-91 and subsequent years of assessment the...

Business expansion scheme

12 (1) For the year 1990-91 and subsequent years of assessment...

Qualifying maintenance payments

13 For the year 1990-91 and subsequent years of assessment section...

Home loans

14

Loans for shares in employee-controlled company

15 (1) In section 361 (relief for interest on loans to...

Close company loans

16 (1) In section 420(2)(a)(i) (exception from charge in case where...

Trade unions and employers' associations

17 (1) In section 467(2) (tax exemption in respect of income...

Retirement benefit schemes

18 (1) In section 590 (conditions for approval of retirement benefit...

Partnership retirement annuities

19 For the year 1990-91 and subsequent years of assessment section...

20

Earned income

21 For the year 1990-91 and subsequent years of assessment section...

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22 For the year 1990-91 and subsequent years of assessment section...

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24

The transition

25 The operation of section 279(1) of the Taxes Act 1988...

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- 26 Where a man is required under section 8 of the...
- 27 Where a man delivers a return such as is mentioned...
- 28 Where a woman is liable to a penalty under section...

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- 29

Transfers of allowances

- 30 For the year 1990-91 and subsequent years of assessment the...

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- 31

Annual payments

- 32 Section 36 of this Act shall have effect in relation...

Maintenance payments

- 33

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Preliminary

- 1 The modifications of Chapter III of Part VII of the...

The relief

- 2 (1) In subsection (1) of section 289 (relief under the...

Restriction of relief where amounts raised exceed permitted maximum

- 3 (1) In subsection (1) of section 290A (restriction of relief...

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- 4 In section 291 (individuals qualifying for relief), after subsection (1)...

Parallel trades

- 5 Section 292 (parallel trades) shall be omitted.

Qualifying companies

- 6 (1) For subsection (2) of section 293 (qualifying companies) there...

Companies with interests in land etc.

- 7 The following shall be omitted, namely— (a) section 294 (companies...

Qualifying trades etc.

- 8 The following shall also be omitted, namely—

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Replacement capital

9 (1) In subsection (1) of section 302 (replacement capital), for...

Claims

10 In subsections (2) and (3) of section 306 (claims), for...

Subsidiaries

11 (1) For subsection (1) of section 308 (application to subsidiaries)...

12 In subsection (2) of section 309 (further provisions as to...

Part II — DWELLING-HOUSES TO WHICH SECTION 50 DOES NOT APPLY

Expensive dwelling-houses

13 (1) Section 50 of this Act does not apply to...

Unfit and sub-standard dwelling-houses

14 Section 50 of this Act does not apply to—

Dwelling-houses already let etc.

15 (1) Subject to sub-paragraphs (1A) to (1C) below, section 50...

Dwelling-houses already qualifying for relief

16 (1) Section 50 of this Act does not apply to...

Dwelling-houses qualifying for capital allowances

17 Section 50 of this Act does not apply to a...

Interpretation of certain expressions: Scotland

18 In the application of the above provisions of this Part...

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Preliminary

1 Underwriters: Assessment and Collection of Tax

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2 Underwriters: Assessment and Collection of Tax

Payments on account of tax

3 Underwriters: Assessment and Collection of Tax

Determinations by inspector

4 Underwriters: Assessment and Collection of Tax

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5 Underwriters: Assessment and Collection of Tax

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6 Underwriters: Assessment and Collection of Tax

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7 Underwriters: Assessment and Collection of Tax

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8 Underwriters: Assessment and Collection of Tax

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9 Underwriters: Assessment and Collection of Tax

Supplemental: penalties

10 Underwriters: Assessment and Collection of Tax

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11 Underwriters: Assessment and Collection of Tax

SCHEDULE 6 — Commercial Woodlands

Preliminary

1 Commercial Woodlands

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2 Commercial Woodlands

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3 Commercial Woodlands

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4 Commercial Woodlands

5 Commercial Woodlands

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6 Commercial Woodlands

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1 Exceptions to Rule in Section 66(1)

2 Exceptions to Rule in Section 66(1)

Cases where rule does not apply until end of transitional period

3 Exceptions to Rule in Section 66(1)

4 Exceptions to Rule in Section 66(1)

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Supplemental

5 Exceptions to Rule in Section 66(1)

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- 1
2

Capital allowances

- 3

Part disposals

- 4

Assets derived from other assets

- 5

Group transactions

- 6

Close companies

- 7

Private residence relief

- 8

Replacement of business assets

- 9

Apportionment of pre-1965 gains and losses

- 10

Indexation allowance

- 11

Elections under section 96(5): excluded disposals

- 12

Elections under section 96(5): groups of companies

- 13
14

SCHEDULE 9 —

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1

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2
2A

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3

Previous no gain/no loss disposals

4
5
6

Assets derived from other assets

7

Claims

8

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1
2
3
4

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5

Meaning of “settlor” etc.

6

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8

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9

Commencement

10

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SCHEDULE 11 —

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- 1
- 2

Shares

- 3

Linked companies

- 4

Supplementary

- 5
- 6

Commencement

- 7

SCHEDULE 12 — Building Societies: Change of Status

Introductory

- 1 Paragraphs 3 to 7 below apply where there is a...

Gilt-edged securities and other financial trading stock

- 2 Building Societies: Change of Status

Capital allowances

- 3 (1) For the purposes of the allowances and charges provided...

Capital gains: assets acquired from society, etc.

- 4 Building Societies: Change of Status

Capital gains: shares, and rights to shares, in successor company

- 5 Building Societies: Change of Status

Distributions

- 6 (1) Where, in connection with the transfer, qualifying benefits are...

Certified SAYE savings arrangements

- 7 Section 702 of the Income Tax (Trading and Other Income)...

Stamp duty

- 8 Section 109 of the Building Societies Act 1986 (exemption from...

SCHEDULE 13 — Post-Consolidation Amendments

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Part I — AMENDMENTS OF THE TAXES ACT 1988

- 1 The Taxes Act 1988 shall have effect, and shall be...
- 2 In section 61(4) after the word “where” there shall be...
- 3 In section 162(1) after the word “Where” there shall be...
- 4
- 5 In section 533(4) after “1949” there shall be inserted the...
- 6 In section 591(5) and (6) after the word “made” there...
- 7 In section 824— (a) in subsection (1) the following paragraphs...
- 8
- 9 In paragraph 2 of Schedule 10 after sub-paragraph (c) there...
- 10 In paragraph 17(2)(a) of Schedule 15 after the words “but...
- 11 In paragraph 18(2) of that Schedule for “1 to 9”...
- 12 In paragraph 4(3)(b) of Schedule 27 for “416” there shall...
- 13 In paragraph 8 of Schedule 29 for the words “added...
- 14 In the Table in paragraph 32 of that Schedule the...
- 15 The repeals made in section 47 of the Finance (No....

Part II — AMENDMENTS OF OTHER ENACTMENTS

The Capital Gains Tax Act 1979 (c.14)

- 16
- 17
- 18

The Finance Act 1980 (c.48)

- 19 In section 101 of the Finance Act 1980 for the...
- 20 In section 109(8)(b) of that Act for the words “Part...

The Finance Act 1981 (c.35)

- 21

The Finance Act 1984 (c.43)

- 22 In section 80(5)(b) of the Finance Act 1984 for the...

The Finance Act 1986 (c.41)

- 23

The Finance Act 1987 (c.16)

- 24 The repeals made by the Finance Act 1987 in section...

Commencement

- 25 The amendments made by paragraphs 16 to 23 of this...

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Part I — CUSTOMS AND EXCISE

- 1 The repeal in section 1 of the Alcoholic Liquor Duties...
- 2 The repeals in sections 42 and 43 of that Act...
- 3 The repeals in the Betting and Gaming Duties Act 1981...

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Part IV — INCOME AND CORPORATION TAX: GENERAL

- 1 The repeals in section 482 of the Income and Corporation...
- 2 The repeals in Schedule 10 to the Income and Corporation...
- 3 The repeal in the Finance Act 1980 has effect from...
- 4 The repeals in section 278 of the Income and Corporation...
- 5 The repeal of section 351(1) to (7) of that Act...
- 6 The repeals in sections 355, 357 and 358 of that...
- 7 The repeals in section 577 of that Act have effect...
- 8 The repeals in Schedule 11 to that Act have effect...
- 9 The remaining repeals have effect for the year 1988-89 and...

Part V — COMMERCIAL WOODLANDS

- 1 The repeals in the Taxes Management Act 1970, the repeals...
- 2 The repeals of section 111 of the Income and Corporation...
- 3 The remaining repeals have effect from 6th April 1993.

Part VI — UNAPPROVED EMPLOYEE SHARE SCHEMES

Part VII — CAPITAL GAINS: GENERAL

- 1 The repeals in the Income and Corporation Taxes Act 1988...
- 2 The remaining repeals have effect in relation to disposals made...

Part VIII — MARRIED COUPLES

- 1 The repeals in section 361 of the Income and Corporation...
- 2 The repeals in sections 382 and 574 of that Act...
- 3 The repeal in section 420(2) of that Act has effect...
- 4 The repeal in section 525 of that Act has effect...
- 5 The repeals in sections 527 and 535 of that Act...
- 6 The remaining repeals have effect for the year 1990-91 and...

Part IX — TAX APPEALS ETC. IN NORTHERN IRELAND

Part X — INHERITANCE TAX

Part XI — STAMP DUTY

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Changes and effects yet to be applied to :

- s. 29 repealed by [2012 c. 14 Sch. 39 para. 28\(1\)](#)
- s. 143(2) omitted by [2024 c. 3 Sch. 11 para. 24\(2\)](#)
- s. 143(3) omitted by [2024 c. 3 Sch. 11 para. 24\(2\)](#)
- s. 143(5)(a) words substituted by [2024 c. 3 Sch. 11 para. 24\(3\)](#)
- Sch. 3 para. 9 repealed by [2012 c. 14 Sch. 39 para. 28\(1\)](#)
- Sch. 13 para. 12 omitted by [2008 c. 9 s. 41\(7\)\(a\)](#)