



Prime Minister

Mr Moore's minute is attached.

Agree to the transfer of responsibility
in view of Sir Robert Armstrong's
advice? M&A 573

Ref. A085/700

PRIME MINISTER

Yes

Capital Tax Reliefs for Heritage Property: Proposed Transfer of
Responsibility from Treasury to Inland Revenue

I have seen the Financial Secretary's minute of 1 March proposing the transfer from the Treasury to the Board of Inland Revenue of certain statutory responsibilities for capital tax reliefs on heritage properties.

2. The argument for the transfer is that in practice the Inland Revenue processes much of the casework involved in capital tax reliefs on heritage objects. They have the resources and expertise to handle this work, and the transfer would unite statutory with actual responsibility. This would not only take the legal precaution referred to by the Financial Secretary. It would also eliminate some inefficient double-handling of the work by the fiscal departments. I therefore recommend you agree the transfer.

3. There are two other points I should add.

4. You asked me in December to conduct a review of the present division of responsibilities for heritage matters between the Department of the Environment and the Office of Arts and Libraries. This is in progress, but I think the proposed transfer can be decided without reference to that review. These Departments have never had any responsibility for tax reliefs, and the functions to be transferred consist of assessing and administering the tax rules, rather than exercising a discretionary choice between heritage objects according to merit. It would be inappropriate therefore for the Department of the Environment and the Office of Arts and Libraries to have any further involvement than their present role in allocating funds to heritage objects under the Acceptance in Lieu of Tax Scheme.



4. Secondly, the lawyers advise that this transfer may not be effected by a Transfer of Functions Order as it is not a transfer between Ministers. It will therefore need to be handled by a clause in this year's Finance Bill. It is unlikely, however, to attract particular attention.

R
Approved by
ROBERT ARMSTRONG
and signed his absence

7 March 1985

GOVT MACHINERY: Capital Tax Reliefs
for Heritage Property: March 1985