

## Inheritance Tax Relief

<b>Inheritance Tax Relief</b>		
<b>Personal Relief</b>	<b>2011-2012</b>	<b>2010-2011</b>
<b>Free of tax up to</b>	£325,000	£325,000
<b>Tax on excess</b>	40%	40%
<b>Transfers to certain trusts</b>	20%	20%
<b>Overseas domiciled spouse exemption</b>	£55,000	£55,000
<b>Annual gifts exemption</b>	£3,000	£3,000
<b>Gifts to charities</b>	Exempt	Exempt
<b>Small gifts to same person</b>	£250	£250
<b>Marriage/Civil partnership gifts by:</b>		
<b>Parent:</b>	£5,000	£5,000
<b>Grandparent/party to marriage/civil partnership:</b>	£2,500	£2,500
<b>Other person:</b>	£1,000	£1,000
<b>Business property relief</b>		
<b>A business or interest in a business (including partnership share)</b>	100%	100%
<b>Transfers of unquoted shareholdings (including AIM shares)</b>	100%	100%
<b>Transfers out of a controlling shareholding in quoted companies, land or buildings, machinery or plant used in qualifying company or partnership</b>	50%	50%
<b>Reduced tax charge on gifts made within the 7 years before death</b>	£250	£250
<b>Years before death:</b>	<b>% Inheritance</b>	<b>Tax payable</b>
<b>0 – 3:</b>	100%	100%
<b>3 – 4:</b>	80%	80%
<b>4 – 5:</b>	60%	60%
<b>5 – 6:</b>	40%	40%
<b>6 – 7:</b>	20%	20%