



When to use this form

Fill in this form if you've already filled in the form IHT400 up to and including box 109 and the simple calculation is not suitable.

Help

For more information or help:

- go to www.gov.uk/inheritance-tax
- telephone our helpline on 0300 123 1072 - if calling from outside the UK, telephone +44 300 123 1072

Gifts and other transfers of value

If the deceased made any gifts or other transfers of value in the 7 years before they died, the chargeable value of these gifts and transfers will reduce the amount of the Inheritance Tax nil rate band available to the estate on death.

Fill in the boxes below to find out the amount of the nil rate band available on death.

1	Inheritance Tax nil rate band at the date of death See IHT400, 'Rates and tables'	£
2	Transferable nil rate band (Schedule IHT402, box 20)	£
3	Total nil rate band at the date of death (box 1 + box 2)	£
4	Total chargeable value of gifts and other transfers of value made by the deceased within the 7 years before their death (Schedule IHT403, box 7). Do not include gifts with reservation here, include them on the IHT400, box 104 instead.	£
5	Balance of Inheritance Tax nil rate band available (box 3 minus box 4) (if this figure is a minus, enter '0' in box 5)	£

Calculation of Inheritance Tax

6	Total chargeable estate (copy from form IHT400, box 108)	£
7	Residence nil rate band due, including any transferred amount (Schedule IHT435, box 25)	£
8	Inheritance Tax nil rate band available (copy from box 5)	£
9	Value chargeable to tax (box 6 minus box 7 minus box 8). If the result is a minus amount enter '0'. If the figure is '0' do not fill in any more of this form, go to form IHT400, box 121.	£
10	Inheritance Tax (box 9 x 40%)	£

Successive charges relief

If in the 5 years before they died, the deceased inherited money or assets from another person's estate on which Inheritance Tax was paid, you may deduct successive charges relief to stop that legacy being taxed twice in a short period of time.

11 Is successive charges relief due?

No Enter '0' in box 18 and go to box 19

Yes Follow the instructions below for working out successive charges relief

You'll need to find out the value of the estate of the first person to die and the amount of Inheritance Tax paid in order to work out the relief due. You'll also need to know what the deceased was entitled to receive from the estate. You can find out this information by asking the executor of the estate of the first person to die.

If you're deducting successive charges relief enter:

- the Inheritance Tax reference of the first person to die
- their full name
- their date of death

in the 'Additional information' boxes on page 16 of form IHT400.

12 How much Inheritance Tax was paid on the estate of the first person to die? £ .

13 What was the net value of the estate of the first person to die, after deducting liabilities and exemptions? £ .

14 Box 12 ÷ box 13 .

15 What was the deceased's entitlement from the estate of the first person to die? £ .

16 Box 14 x box 15 £ .

The amount of relief available depends on the number of years between the first and second deaths and is shown in the table.

Years between the 2 deaths	Percentage reduction
1 year or less	100%
1 to 2 years	80%
2 to 3 years	60%
3 to 4 years	40%
4 to 5 years	20%
Over 5 years	0%

For example, if the second death was on 3 March 2007 and the first death was on 17 August 2005, there is more than one year between the 2 deaths, but less than 2 years, so the percentage reduction would be 80%.

17 Enter the percentage reduction %

18 The amount of successive charges relief due: box 16 x box 17. £ .

19 Inheritance Tax on the chargeable estate (box 10 minus box 18) £ .

Successive charges relief – Example 1

12 How much Inheritance Tax was paid on the estate of the first person to die? £10,000 . 0 0

13 What was the net value of the estate of the first person to die, after deducting liabilities and exemptions? £340,000 . 0 0

14 Box 12 ÷ box 13 0 . 0 2 9 4

15 What was the deceased's entitlement from the estate of the first person to die? £200,000 . 0 0

16 Box 14 x box 15 £5,880 . 0 0

The amount of relief available depends on the number of years between the first and second deaths and is shown in the table.

Years between the 2 deaths	Percentage reduction
1 year or less	100%
1 to 2 years	80%
2 to 3 years	60%
3 to 4 years	40%
4 to 5 years	20%
Over 5 years	0%

For example, if the second death was on 3 March 2007 and the first death was on 17 August 2005, there is more than one year between the 2 deaths, but less than 2 years, so the percentage reduction would be 80%.

17 Enter the percentage reduction 80 %

18 The amount of successive charges relief due: box 16 x box 17. £4,704 . 0 0

$$£10,000 \div £340,000 = 0.0294$$

£200,000 x 0.0294 = £5,880
This is the amount of Inheritance Tax paid on the deceased's share of the estate of the first person to die. You now need to look at how much relief is due on that amount of tax.

If there were between one and 2 years between the 2 deaths, then the table shows that the percentage reduction would be 80%.

£5,880 x 80 ÷ 100 = £4,704.
This is the amount of successive charges relief that is due.

Tax that may be paid by instalments

The tax on some types of unsold property and assets may be paid in 10 annual instalments, that is, one instalment per year for 10 years. The property and assets on which tax may be paid in this way are unsold houses, land, buildings, some types of shares and the net value of a business or an interest in a business after deduction of Business Relief. These assets and properties are listed on pages 7 and 8 on form IHT400 in column B. The total value of the assets on which you may pay the tax by instalments is on form IHT400, box 95, plus box 97 + box 99 (if any).

As soon as any of the property or assets are sold you'll have to pay all the remaining tax. If you choose to pay tax by instalments on these assets you'll have to pay interest on the outstanding tax.

20 Property and assets on which instalments of tax may be available (form IHT400, box 95 + box 103). £

21 Value of property and assets shown in column B of form IHT400 which have been sold or on which you wish to pay the tax now and not pay by instalments (these may be assets at boxes 49, 51, 66, 67, 68, 69, 70 or 71). Enter the total of these assets which have been sold and you wish to pay the tax on now. £

22 Value of property and assets shown in column B of form IHT400 on which the tax is being paid by instalments (box 20 minus box 21). If the answer is '0', enter '0' in box 27 and go to box 40) £

Instalments due now

You only need to work out the tax that is being paid by instalments if the due date for the first instalment has passed or is less than 30 days away. Otherwise you can miss out boxes 23 to 39 and go straight to box 40. The first instalment of tax is due on the last day of the sixth month after the date of death. For example, the deceased died on 17 July 2007, the due date for the payment of the first instalment is 31 January 2008. The table of due dates below will help you to work out the due date.

Month of death	Due date
January	31 July
February	31 August
March	30 September
April	31 October
May	30 November
June	31 December
July	31 January
August	28/29 February
September	31 March
October	30 April
November	31 May
December	30 June

23 What is the instalment due date? DD MM YYYY

24 Has the instalment due date passed or is it less than 30 days away?
 No Write '0' in box 25 and then go to box 40
 Yes Go to box 25

25 How many of the 10 instalments are due now?

26 Box 22 ÷ box 6 .

27 Box 26 x box 19. This is the tax that can be paid by instalments before any double taxation relief is deducted. £ .

28 Did the form IHT400 include any unsold foreign houses, land, businesses or control holdings (form IHT400, box 97)?
 No Copy the figure from box 27 into box 37. Continue from box 38
 Yes Read the information about double taxation relief on the next page

Double taxation relief

If foreign tax equivalent to Inheritance Tax was paid on the value of foreign assets, double taxation relief may be due if there is a double taxation convention between the UK and the other country. If there is no convention, we may still be able to give 'unilateral relief'. For more information about double taxation relief go to www.gov.uk/inheritance-tax

If you wish to claim double taxation or unilateral relief, enclose with form IHT400 a 'certificate of tax paid' from the overseas tax authority, if you already have one, showing the amount of foreign tax paid. We may ask more questions about the claim after the Grant is issued. You must also fill in schedule IHT417, 'Foreign assets' detailing the assets outside the UK.

29	Is double taxation relief due on the unsold foreign houses, land, businesses and control holdings of shares?	
	No <input type="checkbox"/>	Copy the figure from box 27 into box 37. Continue from box 38
	Yes <input type="checkbox"/>	Go to box 30
30	Value of unsold foreign houses, land, businesses and control holdings on which foreign tax has been paid (form IHT400, box 97, £ sterling)	£ <input type="text"/>
31	Inheritance Tax on the chargeable estate (copy from box 19)	£ <input type="text"/> . <input type="text"/> <input type="text"/>
32	Total chargeable estate (copy from box 6)	£ <input type="text"/>
33	Box 31 ÷ box 32	<input type="text"/> . <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
34	Box 30 x box 33	£ <input type="text"/> . <input type="text"/> <input type="text"/>
35	Foreign tax paid on the unsold foreign houses, land, businesses and control holdings (£ sterling)	£ <input type="text"/> . <input type="text"/> <input type="text"/>
36	The relief is the lower of boxes 34 and 35. Write the lower amount in here.	£ <input type="text"/> . <input type="text"/> <input type="text"/>
37	Net tax to be paid by instalments (box 27 minus box 36). If no double taxation relief is being deducted, copy the value from box 27 here	£ <input type="text"/> . <input type="text"/> <input type="text"/>
38	Divide the amount in box 37 by 10 to work out how much each of the 10 instalments of tax should be. Enter the answer here.	£ <input type="text"/> . <input type="text"/> <input type="text"/>
39	Tax that may be paid by instalments that is being paid now. Multiply the amount in box 38 by the number of instalments that are due now (box 25). Enter the answer here. Go to box 40.	£ <input type="text"/> . <input type="text"/> <input type="text"/>

Double taxation relief – Example 2

30	Value of unsold foreign houses, land, businesses and control holdings on which foreign tax has been paid (form IHT400, box 97, £ sterling)	£ 20,000	
31	Inheritance Tax on the chargeable estate (copy from box 19)	£ 12,000	• 0 0
32	Total chargeable estate (copy from box 6)	£ 330,000	
33	Box 31 ÷ box 32	0 . 0 3 6 4	
34	Box 30 x box 33	£ 728	• 0 0
35	Foreign tax paid on the unsold foreign houses, land, businesses and control holdings (£ sterling)	£ 2,000	• 0 0
36	The relief is the lower of boxes 34 and 35. Write the lower amount in here.	£ 728	• <input type="text"/> <input type="text"/>

$£12,000 \div £330,000 = 0.0364$

$0.0364 \times £20,000 = £728$

The foreign tax paid was £2,000 so enter that figure in box 35.

Compare the 2 figures in boxes 34 and 35. The double taxation relief due is the lower of the figures in boxes 34 and 35. £728 is lower than £2,000 so £728 is the double taxation relief on the unsold foreign houses, land and buildings. Enter that figure in box 36.

Tax that isn't being paid by instalments

Inheritance Tax may only be paid by instalments on unsold houses, land, businesses and on certain types of shares. The Inheritance Tax on all sold houses, land, businesses, shares and all other types of assets, such as bank accounts and household and personal goods must be paid when you send this form to us. You can also choose to pay all of the tax now.

40	Property and assets on which instalments aren't available (IHT400, box 94 + IHT400, box 102 + IHT400, 'Calculation', box 21). If the answer is 0, write '0' in box 42 and go to box 54.	£ <input type="text"/>
41	Box 40 ÷ box 6	<input type="text"/> . <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
42	Box 41 x box 19. This is the tax that cannot be paid by instalments before any double taxation relief is deducted.	£ <input type="text"/> . <input type="text"/> <input type="text"/>
43	Did the form IHT400 include any sold foreign houses, land, businesses and control holdings (form IHT400, box 97) or other foreign assets (form IHT400, box 98)?	
	No <input type="checkbox"/> Copy the figure from box 42 into box 54, then continue from box 55	
	Yes <input type="checkbox"/> Read the information about double taxation relief on page 4 then go to box 44	
Double taxation relief		
See the note about double taxation relief at the top of page 4.		
44	Is double taxation relief due on the sold foreign houses, land, businesses and control holdings, and other foreign assets?	
	No <input type="checkbox"/> Copy the figure from box 42 into box 54, then continue from box 55	
	Yes <input type="checkbox"/> Go to box 45	
For an example of how to work out double taxation relief, see Example 2 on page 4		
45	Value of any sold foreign houses, land, businesses and control holdings (form IHT400, box 97) on which foreign tax has been paid (£ sterling)	£ <input type="text"/>
46	Value of other foreign assets on which foreign tax has been paid (form IHT400, box 98, £ sterling)	£ <input type="text"/>
47	Total foreign property on which the tax is not being paid by instalments (box 45 + box 46, £ sterling)	£ <input type="text"/>
48	Inheritance Tax on the chargeable estate (copy from box 19)	£ <input type="text"/> . <input type="text"/> <input type="text"/>
49	Total chargeable estate (copy from box 6)	£ <input type="text"/>
50	Box 48 ÷ box 49	<input type="text"/> . <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
51	Box 50 x box 47	£ <input type="text"/> . <input type="text"/> <input type="text"/>
52	Foreign tax paid on the foreign property and assets on which the tax is not being paid by instalments (£ sterling)	£ <input type="text"/> . <input type="text"/> <input type="text"/>
53	The relief is the lower of boxes 51 and 52. Write the lower amount here.	£ <input type="text"/> . <input type="text"/> <input type="text"/>
54	Net tax that isn't being paid by instalments: • box 42 minus box 53 • if no double taxation relief is being deducted, copy the value from box 42 into box 54 (If box 42 was 0, enter '0' here)	£ <input type="text"/> . <input type="text"/> <input type="text"/>

Interest

Inheritance Tax is due to be paid on the last day of the sixth month after the date of death. Interest will be due even if you have not got a Grant by then. Interest will also be due even if we have not contacted you or anybody else (for example, the trustees of a trust or someone who received a gift from the deceased). The law says that interest will be added to any unpaid tax after this date. Interest is not a penalty, it compensates the Exchequer for the delay in receiving the money due to it. If you pay too much tax, we pay interest on the repayment to you.

Interest starts on the first day of the 7th month after the date of death. For example, if the deceased died on 17 July 2007, interest will be due from 1 February 2008 on all unpaid tax whatever the reason the tax has not been paid. The table below will tell you the date that interest starts.

Month of death	Interest starts from
January	1 August
February	1 September
March	1 October
April	1 November
May	1 December
June	1 January
July	1 February
August	1 March
September	1 April
October	1 May
November	1 June
December	1 July

55 What is the date interest starts? 01 MM YYYY

If the tax is being paid after this date you must add interest to the tax being paid.

56 Has the date at box 55 passed, or is it likely to pass before you pay the tax?

- No Enter '0' in boxes 58, 59, 61 and 62 then go to box 63
- Yes Go to box 57 to work out the interest due

Working out interest using the online interest calculator

57 The easiest way to work out the interest due is to use the interest calculator which you can find on our website. Go to www.hmrc.gov.uk/tools/inheritancetax/interest-rate-calculator.htm

If you use the interest calculator you should work out the interest on the tax that is being paid by instalments (box 39) and the tax that isn't being paid by instalments (box 54).

Do you wish to use the interest calculator to work out the interest due?

- No Go to the IHT400 Helpsheets, 'Working out the interest on Inheritance Tax payments' and follow the instructions there
- Yes Go to box 58

58 Interest on tax that isn't being paid by instalments

You only need to do this calculation if the figure in box 54 is greater than 0:

- for the interest calculator, go to www.hmrc.gov.uk/tools/inheritancetax/interest-rate-calculator.htm
- in the 'start date for interest' box on the calculator enter the date from box 55
- in the 'end date for interest' box on the calculator enter the date you expect to be sending in the IHT400
- in the 'Inheritance Tax owed' box enter the amount of tax not being paid by instalments from box 54
- use the 'calculate' button to find out how much interest is due

Enter the amount of interest here

£ .

59 Interest on tax that's being paid by instalments

You only need to do this calculation if the figure in box 39 is greater than 0:

- for the interest calculator, go to www.hmrc.gov.uk/tools/inheritancetax/interest-rate-calculator.htm
- in the 'start date for interest' box on the calculator enter the day after the date the most recent instalment became due
 - if there's only one instalment due (the figure in box 25 is '1'), this date will be the date in box 55
 - if 2 instalments are due, the start date will be one year on from the date in box 55 and so on
- in the 'end date for interest' box on the calculator enter the date you expect to be sending in the form IHT400
- in the 'Inheritance Tax owed' box enter the amount of tax being paid by instalments from box 39
- use the 'calculate' button to find out how much interest is due

Enter the amount of interest in here

£ .

60 Is '1' the number in box 25?

No Go to box 61

Yes Enter '0' in box 61 and go to box 62

61 Additional interest on tax that's being paid by instalments when more than one instalment is due

When more than one instalment of tax is due, you'll have to work out an additional amount of interest unless the instalments of tax are interest-free.

Interest-free instalments

Instalments of tax are interest-free for certain types of assets as long as the instalments are paid on time.

The assets on which the instalments are interest-free are:

- shares or securities, except shares in an investment or property company, which will only qualify if the company is
 - a holding company of companies, which aren't investment or property companies
 - a market maker or discount house in the UK
- a business or interest in a business carried on for gain
- land which qualifies for agricultural relief
- timber

It would be a very unusual situation if you need to work out the interest on these types of assets where the instalments are being paid late. The IHT400 Helpsheet, 'Working out the interest on Inheritance Tax payments' explains what to do:

- if the instalments are not interest-free (and most won't be) – for the interest calculator, go to www.hmrc.gov.uk/tools/inheritancetax/interest-rate-calculator.htm
- in the 'start date for interest' box on the calculator enter the date from box 55
- in the 'end date for interest' box on the calculator enter the date the most recent instalment became due
- in the 'Inheritance Tax owed' box enter the total amount of tax being paid by instalments from box 37
- use the 'calculate' button to find out how much interest is due

Enter the amount of interest here (This is the figure for box 61)

£ .

For example, the deceased died on 6 July 2005. The date tax is due is 31 January 2006. The tax being paid by instalments is £10,000. The first instalment of £1,000 is due on 31 January 2006, the second instalment on 31 January 2007 and so on. The application for a Grant was made on 18 June 2007, so that 2 instalments had to be paid at that time. The 'end' date in this example would be 31 January 2007.

In the 'Inheritance Tax owed' box enter the total amount of tax being paid by instalments (from box 37). In this example this will be £10,000.

62	Total interest on tax being paid by instalments (box 59 + box 61)	£ <input type="text"/> . <input type="text"/> <input type="text"/>
63	Total tax and interest payable now where the tax is being paid by instalments (box 39 + box 62)	£ <input type="text"/> . <input type="text"/> <input type="text"/>
64	Total tax and interest which isn't being paid by instalments (box 54 + box 58)	£ <input type="text"/> . <input type="text"/> <input type="text"/>
65	Total Inheritance Tax and interest on the estate being paid now (box 63 + box 64)	£ <input type="text"/> . <input type="text"/> <input type="text"/>

Tax payable on gifts and lifetime transfers

The tax and interest shown at box 65 is the tax and interest which is payable now in order for you to be able to obtain a grant of representation. Depending on the circumstances of the estate, there may be more tax and interest to pay by the person(s) who received lifetime gifts from the deceased. We may also ask the person(s) who received the gifts for more details of the gifts on a separate account.

If the deceased made lifetime gifts which were over the Inheritance Tax nil rate band or gifts with reservation, more tax will be payable and we'll send calculations of the tax when you've sent this form to us. But you should bear in mind that interest becomes payable if the tax isn't paid on time. To find out how lifetime gifts are taxed on death, go to www.gov.uk/inheritance-tax

Taper relief

If there is additional tax to pay on lifetime gifts, taper relief may be available. This will apply in the following circumstances:

- the total value of gifts must be more than the Inheritance Tax nil rate band
- the gifts must have been made between 3 and 7 years before the deceased died

The relief reduces the amount of tax payable on a gift, not the value of the gift itself.

For more information about taper relief go to www.gov.uk/inheritance-tax

Trusts

If the deceased benefited from any assets held in trust shown on Schedule IHT418 and the trustees have not paid the tax with this account, more tax will be due. We'll send a calculation of the tax to the trustees named on the Schedule IHT418.

If there are amendments made to the value of the trust assets or the value of the deceased's estate this will affect both the tax due on the trust assets and the tax due on the deceased's estate. If this is the case, we'll send you more calculations of tax.

What to do when you've filled in this form

If you're filling in this form without the help of a solicitor, another person licensed to provide probate services or other adviser, send the form to us with your form IHT400 so that we can see how you've worked out the tax. Continue filling in the form IHT400 from box 120.

If you're a solicitor, another person licensed to provide probate services or other adviser, you do not need to send this form to us if you do not want to, but if you've included an amount of successive charges relief in box 18 or double taxation relief in boxes 36 or 53, send this form to us with the form IHT400 so that we can see how these reliefs were worked out.