

Harris Stewart

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Rates and Allowances - Capital Gains Tax: Individuals and Trustees

Annual exempt amount	2007-08 (£)	2008-09 (£)	2009-10 (£)
Individuals etc*	9,200	9,600	10,100
Other trustees	4,600	4,800	5,050

* Individuals, trustees of settlements for the disabled, and personal representatives of the estate of a deceased person.

For 2001-02 to 2007-08 capital gains were taxed as the top slice of income at the starting rate, lower rate and higher rate. From 2008/09 onwards capital gains is taxed at 18%

Indexation allowance

Individuals and others within the charge to capital gains tax are not entitled to indexation allowance for any period after 1998. See Indexation Table.

Taper Relief

For gains realised after 5 April 1998 but before 6 April 2008, by individuals or trustees, indexation allowance was frozen and the gain reduced by a tapering relief. The value of the taper relief depends on whether or not the asset is a business asset, and on the number of complete years the asset has been held after 5 April 1998 (with an additional "bonus" year for non-business assets held on 16 March 1998).

Non-Business Assets	
No. of complete years held after 5 April 1998	% gain chargeable
1	100
2	100
3	95
4	90
5	85
6	80
7	75
8	70
9	65
10 or more	60

Business Assets	
No of complete years held after 5 April 1998	Disposals After 5 April 2002 % of gain chargeable
0	100
1	50
2 or more	25