

1. Where an estate is partially exempt from Inheritance Tax, it is necessary to gross up any legacies that are free of tax. Depending on the circumstances of an estate, there are number of different calculations that might be performed. This one form will calculate the chargeable estate in most circumstances. However, it should not be used where
  - there is successive charges relief, or
  - the Will gives specific direction about the shares of residue to be borne by exempt and chargeable beneficiaries (as the Will in the case of *Re Benham*).

You can find guidance about the calculations required in these circumstances in Dymond's Capital Taxes at chapter 12.600.

2. If
  - neither of the above circumstances applies, and
  - the estate is partially exempt from Inheritance Tax, and
  - there are legacies that are free of tax

this form will calculate the chargeable estate for you.

3. If there are assets that qualify for agricultural or business relief, the calculations can become very complicated. Our website contains an example of the steps to go through at [www.hmrc.gov.uk/cto/customerguide/page19.htm](http://www.hmrc.gov.uk/cto/customerguide/page19.htm). You can still use this form to gross up the estate, but only after agricultural or business relief has been deducted.

## Grossing up calculator

Enter the figures rounded to the nearest pound. When you have entered all the figures click on the “calculate” button. The notes below explain what should go into each box.

Name	Date of death
<input type="text"/>	<input type="text"/>
Value of estate at title	<input type="text"/>
Total of chargeable lifetime gifts	<input type="text"/>
Gifts bearing their own tax	<input type="text"/>
Gifts free of tax	<input type="text"/>
Exempt gifts	<input type="text"/>
Exempt share of residue	<input type="text"/>
IHT nil rate band	<input type="text"/>

### Notes

1. Value of estate at title - when grossing up, it is only the value of property passing under the same title that is taken into account. So, if it is the Free Estate that needs to be grossed up, joint property passing by survivorship and settled property etc., should not be included.
2. Total of chargeable lifetime gifts – this is the total value of any gifts made within seven years of the death after deducting exemptions and relief.
3. Gifts bearing their own tax – this is total value of gifts passing under the Will where the tax will be borne by the beneficiary.
4. Gifts free of tax – this is the total value of gifts passing under the Will that will be paid free of tax.
5. Exempt gifts – this is the total value of gifts passing under the Will to exempt beneficiaries such as the spouse or civil partner or a charity.
6. Exempt share of residue – enter the share of the residue passing to exempt beneficiaries as a percentage to 4 decimal places; so one third should be entered as 33.3333.
7. Enter the nil rate band that applies at the date of death. Where the personal representatives have made a claim to transfer unused nil rate band from the estate of the deceased’s spouse or civil partner, increase the nil rate band applicable on the deceased’s death by the appropriate percentage and enter that increased amount here.

Name

Date of death

**Chargeable estate after grossing up**

Value of estate at title	<input type="text"/>
Total of chargeable lifetime gifts	<input type="text"/>
Gifts bearing their own tax	<input type="text"/>
Gifts free of tax	<input type="text"/>
Exempt gifts	<input type="text"/>
Exempt share of residue	<input type="text"/>
IHT nil rate band	<input type="text"/>

**1 Gross up gifts free of tax**

Grossed up value of gifts free of tax	<input type="text"/>
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**2 Determine initial value of the chargeable estate**

Total of all chargeable gifts	<input type="text"/>
Add exempt gifts	<input type="text"/>
Calculate residue	<input type="text"/>
Calculate chargeable residue	<input type="text"/>
Initial chargeable estate	<input type="text"/>

**3 Gross up gifts free of tax at initial rate**

Tax on initial chargeable estate (including total of lifetime gifts)	<input type="text"/>
Re-grossed value of gifts free of tax	<input type="text"/>

**4 Determine final value of chargeable estate**

Total of all chargeable gifts	<input type="text"/>
Add exempt gifts	<input type="text"/>
Calculate residue	<input type="text"/>
Calculate chargeable residue	<input type="text"/>
<b>Chargeable estate at title</b>	<input type="text"/>