

# TA.7 Rates of Capital Gains Tax

## 1977-78 to 1979-80

	Total net gains for year of assessment	Tax chargeable
Individuals:	Not exceeding £1,000	Nil
	£1,001 - £5,000	Excess gains over £1,000 at 15%
	£5,001 - £9,499	£600 plus excess gains over £5,000 at 50%
	£9,500 or more	All gains at 30%
Trusts:	Not exceeding £500	Nil
	£501 - £1,249	Excess gains over £500 at 50%
	£1,250 or more	All gains at 30%

## 1980-81 to 2006-07

	Annual exempt amount		Rate of tax <sup>1</sup> chargeable on excess of gains over annual exempt amount:		
	Individuals	Trusts	Individuals	Discretionary and accumulation trusts	Interest in possession trusts and personal representatives
1980-81	3,000	1,500	30%	30%	30%
1981-82	3,000	1,500	30%	30%	30%
1982-83	5,000	2,500	30%	30%	30%
1983-84	5,300	2,650	30%	30%	30%
1984-85	5,600	2,800	30%	30%	30%
1985-86	5,900	2,950	30%	30%	30%
1986-87	6,300	3,150	30%	30%	30%
1987-88	6,600	3,300	30%	30%	30%
1988-89	5,000	2,500	Income tax rates	Trust rate	Basic rate of income tax
1989-90	5,000	2,500	Income tax rates	Trust rate	Basic rate of income tax
1990-91	5,000	2,500	Income tax rates	Trust rate	Basic rate of income tax
1991-92	5,500	2,750	Income tax rates	Trust rate	Basic rate of income tax
1992-93	5,800	2,900	Income tax rates	Trust rate	Basic rate of income tax
1993-94	5,800	2,900	Income tax rates	Trust rate	Basic rate of income tax
1994-95	5,800	2,900	Income tax rates	Trust rate	Basic rate of income tax
1995-96	6,000	3,000	Income tax rates	Trust rate	Basic rate of income tax
1996-97	6,300	3,150	Income tax rates	Trust rate	Basic rate of income tax
1997-98	6,500	3,250	Income tax rates	Trust rate	Basic rate of income tax
1998-99 <sup>2</sup>	6,800	3,400	Income tax rates	Trust rate	Trust rate
1999-00 <sup>2</sup>	7,100	3,550	Income tax rates <sup>3</sup>	Trust rate	Trust rate
2000-01 <sup>2</sup>	7,200	3,600	Income tax rates <sup>4</sup>	Trust rate	Trust rate
2001-02 <sup>2</sup>	7,500	3,750	Income tax rates <sup>4</sup>	Trust rate	Trust rate
2002-03 <sup>2</sup>	7,700	3,850	Income tax rates <sup>4</sup>	Trust rate	Trust rate
2003-04 <sup>2</sup>	7,900	3,950	Income tax rates <sup>4</sup>	Trust rate	Trust rate
2004-05 <sup>2</sup>	8,200	4,100	Income tax rates <sup>4</sup>	Trust rate	Trust rate
2005-06 <sup>2</sup>	8,500	4,250	Income tax rates <sup>4</sup>	Trust rate	Trust rate
2006-07 <sup>2</sup>	8,800	4,400	Income tax rates <sup>4</sup>	Trust rate	Trust rate
2007-08 <sup>2</sup>	9,200	4,600	Income tax rates <sup>4</sup>	Trust rate	Trust rate
2008-09 <sup>5</sup>	9,600	4,800	18%	18%	18%
2009-10 <sup>5</sup>	10,100	5,050	18%	18%	18%
2010-11 <sup>6</sup>	10,100	5,050	18%	18%	18%
2010-11 <sup>7</sup>	10,100	5,050	10% to 28%	28%	28%
2011-12 <sup>8</sup>	10,600	5,300	10% to 28%	28%	28%

<sup>1</sup> Income and trust tax rates are contained in the link: [Table TA.2](#)

<sup>2</sup> For 1998-99 onwards, taper relief may reduce the proportion of gains chargeable as described in the following table.

<sup>3</sup> Treated as savings income, except that Capital Gains in the starting rate band are taxed at 20%.

<sup>4</sup> Treated as savings income.

<sup>5</sup> Entrepreneurs' Relief introduced on 6 April 2008 entitles individuals in business and some trustees to claim relief on the first £1 million of lifetime gains made on the disposal of any of the following:

- all or part of a business
- the assets of a business after it has ceased
- shares in a company

Entrepreneurs' Relief reduces the amount of gains liable to Capital Gains Tax by four-ninths on all qualifying gains up to £1 million.

<sup>6</sup> From 6 April 2010 to 22 June 2010 entrepreneurs' relief was extended to the first £2 million pounds of gains on qualifying business asset disposals.

<sup>7</sup> From 23 June 2010 further reforms were made to the CGT regime. Entrepreneurs' relief was extended granting individuals and trusts making qualifying business asset disposals to a 10% rate on the first £5m of gains over a lifetime. Individuals making disposals not eligible for entrepreneurs' relief face a rate of 18% on gains where their gains and income after the annual exempt amount remains below the income tax basic rate threshold. All gains exceeding this threshold are taxed at 28%. Trusts with gains not eligible for entrepreneurs' relief are taxed at 28%.

<sup>8</sup> Further reforms were made to the CGT regime announced at Budget 2011. Entrepreneurs' relief was extended granting individuals and trusts making qualifying business asset disposals to a 10% rate on the first £10m of gains over a lifetime from 6 April 2011. Individuals making disposals not eligible for entrepreneurs' relief face a rate of 18% on gains where their gains and income after the annual exempt amount remains below the income tax basic rate threshold. All gains exceeding this threshold are taxed at 28%. Trusts with gains not eligible for entrepreneurs' relief are taxed at 28%.

**Taper relief (for gains on disposals after April 05 1998)**

Year of disposal	Type of asset	Proportion of gain chargeable (%)										
		Number of complete years after April 05 1998 for which asset held										
		0	1	2	3	4	5	6	7	8	9	10 or more
1998-99	Business <sup>1,2</sup>	100	92.5	85	77.5	77.5	70	62.5	55	47.5	40	32.5
	Non-business <sup>1</sup>	100	100	100	95	95	90	85	80	75	70	65
1999-2000	Business <sup>1,2</sup>	100	92.5	85	77.5	77.5	70	62.5	55	47.5	40	32.5
	Non-business <sup>1</sup>	100	100	100	95	95	90	85	80	75	70	65
2000-01	Business <sup>2</sup>	100	87.5	75	50	25	25	25	25	25	25	25
	Non-business <sup>1</sup>	100	100	100	95	95	90	85	80	75	70	65
2001-02	Business <sup>2</sup>	100	87.5	75	50	25	25	25	25	25	25	25
	Non-business <sup>1</sup>	100	100	100	95	95	90	85	80	75	70	65
2002-03	Business <sup>2</sup>	100	50	25	25	25	25	25	25	25	25	25
	Non-business <sup>1</sup>	100	100	100	95	95	90	85	80	75	70	65
2003-04	Business <sup>2</sup>	100	50	25	25	25	25	25	25	25	25	25
	Non-business <sup>1</sup>	100	100	100	95	95	90	85	80	75	70	65
2004-05	Business <sup>2</sup>	100	50	25	25	25	25	25	25	25	25	25
	Non-business <sup>1</sup>	100	100	100	95	95	90	85	80	75	70	65
2005-06	Business <sup>2</sup>	100	50	25	25	25	25	25	25	25	25	25
	Non-business <sup>1</sup>	100	100	100	95	95	90	85	80	75	70	65
2006-07	Business <sup>2</sup>	100	50	25	25	25	25	25	25	25	25	25
	Non-business <sup>1</sup>	100	100	100	95	95	90	85	80	75	70	65
2007-08	Business <sup>2</sup>	100	50	25	25	25	25	25	25	25	25	25
	Non-business <sup>1</sup>	100	100	100	95	95	90	85	80	75	70	65

<sup>1</sup> Assets acquired before March 17 1998 qualify for an addition of 1 year to the period for which they are treated as held after April 05 1998.

<sup>2</sup> Business assets are defined broadly as:

an asset used for the purposes of a trade carried on by the individual or by a qualifying company<sup>3,4</sup> of that individual; or.

an asset held for the purposes of a qualifying office or employment (for periods before April 06 2000 the employment had to be substantially full time); or shares in a qualifying company<sup>3,4</sup> held by the individual.

Since April 06 2004 business assets include those assets used for the purposes of a trade irrespective of whether the individual is involved in carrying on the trade concerned.

<sup>3</sup> For the period April 06 1998 to April 05 2000, a company was a qualifying company for an individual if it was a trading company or the holding company of a trading group and the individual could exercise either

- (a) at least 25% of the voting rights in that company or
- (b) at least 5% of the voting rights in that company, provided the individual was a full-time working officer or employee of that company.

There are similar provisions in respect of trusts.

<sup>4</sup> For periods from April 06 2000, a company is a qualifying company for an individual if it is either

- (1) a trading company or the holding company of a trading group and is
  - (a) unlisted or
  - (b) the individual is an employee or officer of the company, or
  - (c) the company is listed and the individual has not less than 5% of the voting rights.

or

- (2) a non-trading company where the individual is an employee or officer and does not have a material interest of more than 10% in the company.

There are similar provisions in respect of trusts.

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or contact the Stamp Taxes **Helpline** on **0845 603 0135**.

The next update of these tables, with information for 2012-13 is scheduled to be published October/November 2012. In accordance with the Code of Practice for official statistics, the exact date of the publication will be given not less than one calendar month before publication on both the HMRC website and Office for National Statistics publication hub.

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