



Taxation of Chargeable Gains Act 1992

1992 CHAPTER 12

[^{F1}PART 1

CAPITAL GAINS TAX AND CORPORATION TAX ON CHARGEABLE GAINS

CHAPTER 1

CAPITAL GAINS TAX

Rates of CGT

[^{F1}1H The main rates of CGT

(1) This section makes provision about the rates at which capital gains tax is charged but has effect subject to—

- (a) section 169N ([^{F2}business asset disposal relief]: rate of 10%), and
- (b) section 169VC (investors' relief: rate of 10%).

[Residential property gains (see Schedule 1B) accruing in a tax year to an individual ^{F3}(1A) are charged to capital gains tax at a rate of 18% or 24%.]

(2) Chargeable gains accruing in a tax year to an individual that are—

- ^{F4}(a)
 - (b) carried interest gains (see subsections (9) to (11)),
- are charged to capital gains tax at a rate of 18% or 28%.

(3) Other chargeable gains accruing in a tax year to an individual are charged to capital gains tax at a rate of 10% or 20%.

(4) The question as to which of the rates applies to the gains concerned is determined by section 1I (income taxed at higher rates or gains exceeding unused basic rate band).

Status: Point in time view as at 24/05/2024.

Changes to legislation: Taxation of Chargeable Gains Act 1992, Section 1H is up to date with all changes known to be in force on or before 06 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

[Residential property gains accruing in a tax year to the personal representatives of a ^{F5}(4A) deceased individual are charged to capital gains tax at a rate 24%.]

(5) Chargeable gains accruing in a tax year to the personal representatives of a deceased individual that are—

^{F6}(a)

(b) carried interest gains,

are charged to capital gains tax at a rate of 28%.

(6) Other chargeable gains accruing in a tax year to the personal representatives of a deceased individual are charged to capital gains tax at a rate of 20%.

(7) Residential property gains accruing in a tax year to the trustees of a settlement are charged to capital gains tax at a rate of [^{F7}24%].

(8) Other chargeable gains accruing in a tax year to the trustees of a settlement are charged to capital gains tax at a rate of 20%.

(9) For the purposes of this section chargeable gains are “carried interest gains” if they accrue to an individual (“X”)—

(a) under section 103KA(2) or (3) (investment management services), ^{F8}...

[under section 103KFA(3) (gains on deemed carried interest where election ^{F9}(aa) made), or]

(b) as a result of carried interest arising to X under arrangements not involving a partnership under which X performs investment management services directly or indirectly in respect of an investment scheme.

(10) A gain is not a carried interest gain under subsection (9)(b) if the carried interest constitutes a co-investment repayment or return.

(11) Expressions used in subsection (9) or (10) have the same meaning as they have in Chapter 5 of Part 3.]

Textual Amendments

- F1** Pt. 1 substituted (with effect in accordance with Sch. 1 paras. 120, 123 of the amending Act) by Finance Act 2019 (c. 1), **Sch. 1 para. 2**
- F2** Words in Act substituted (with effect for the tax year 2020-21 and subsequent tax years) by Finance Act 2020 (c. 14), Sch. 3 paras. 7(2)(a), **8** (with Sch. 3 para. 7(3))
- F3** S. 1H(1A) inserted (with effect in relation to disposals made on or after 6.4.2024) by Finance (No. 2) Act 2024 (c. 12), **s. 6(1)(a)** (with s. 6(3))
- F4** S. 1H(2)(a) omitted (with effect in relation to disposals made on or after 6.4.2024) by virtue of Finance (No. 2) Act 2024 (c. 12), **s. 6(1)(b)** (with s. 6(3))
- F5** S. 1H(4A) inserted (with effect in relation to disposals made on or after 6.4.2024) by Finance (No. 2) Act 2024 (c. 12), **s. 6(1)(c)** (with s. 6(3))
- F6** S. 1H(5)(a) omitted (with effect in relation to disposals made on or after 6.4.2024) by virtue of Finance (No. 2) Act 2024 (c. 12), **s. 6(1)(d)** (with s. 6(3))
- F7** Word in s. 1H(7) substituted (with effect in relation to disposals made on or after 6.4.2024) by Finance (No. 2) Act 2024 (c. 12), **s. 6(1)(e)** (with s. 6(3))
- F8** Word in s. 1H(9)(a) omitted (11.7.2023) (with effect for the tax year 2022-23 and subsequent tax years) by virtue of Finance (No. 2) Act 2023 (c. 30), **s. 42(3)(a)(4)**
- F9** S. 1H(9)(aa) inserted (with effect for the tax year 2022-23 and subsequent tax years) by Finance (No. 2) Act 2023 (c. 30), **s. 42(3)(b)(4)**

Status:

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