

Changes to legislation: Finance Act 1998, SCHEDULE 21 is up to date with all changes known to be in force on or before 16 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) View outstanding changes

SCHEDULES

SCHEDULE 21 **U.K.**

Section 121.

AMENDMENTS IN CONNECTION WITH TAPER RELIEF

Introductory

- 1 The ^{M1}Taxation of Chargeable Gains Act 1992 shall be amended in accordance with the following provisions of this Schedule.

Marginal Citations

M1 1992 c. 12.

Gains of trustees attributed to settlor

F12

Textual Amendments

F1 Sch. 21 para. 2 omitted (with effect in accordance with Sch. 2 para. 56(3) to the amending Act) by virtue of Finance Act 2008 (c. 9), Sch. 2 para. 55(a)(iv)

Annual exempt amount

- 3 For subsection (5) of section 3 (definition of taxable amount) there shall be substituted the following subsections—

“(5) For the purposes of this section an individual’s taxable amount for any year of assessment is the amount which, after—

- (a) making every deduction for which section 2(2) provides,
- (b) applying any reduction in respect of taper relief under section 2A, and
- (c) adding any amounts falling to be added by virtue of section 2(5)(b),

is (apart from this section) the amount for that year on which that individual is chargeable to capital gains tax in accordance with section 2.

(5A) Where, in the case of any individual, the amount of the adjusted net gains for any year of assessment is equal to or less than the exempt amount for that year, no deduction shall be made for that year in respect of—

- (a) any allowable losses carried forward from a previous year; or
- (b) any allowable losses carried back from a subsequent year in which the individual dies.

Changes to legislation: Finance Act 1998, SCHEDULE 21 is up to date with all changes known to be in force on or before 16 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) View outstanding changes

- (5B) Where, in the case of any individual, the amount of the adjusted net gains for any year of assessment exceeds the exempt amount for the year, the deductions made for that year in respect of allowable losses falling within subsection (5A)(a) or (b) above shall not be greater than the excess.
- (5C) In subsections (5A) and (5B) above the references, in relation to any individual’s case, to the adjusted net gains for any year are references to the amount given in his case by—
 - (a) taking the amount for that year from which the deductions for which section 2(2)(a) and (b) provides are to be made;
 - (b) deducting only the amounts falling to be deducted in accordance with section 2(2)(a); and
 - (c) in a year in which any amount falls to be brought into account by virtue of section 2(5)(b), adding whichever is the smaller of the exempt amount for that year and the amount falling to be so brought into account.”

Gains attributed to members of non-resident companies

F24

Textual Amendments

F2 Sch. 21 para. 4 omitted (with effect in accordance with Sch. 2 para. 56(3) to the amending Act) by virtue of Finance Act 2008 (c. 9), **Sch. 2 para. 55(a)(iv)**

Carry back of losses on death

- 5 In section 62 (general provisions about death), the following subsections shall be inserted after subsection (2)—
 - “(2A) Amounts deductible from chargeable gains for any year in accordance with subsection (2) above shall not be so deductible from any such gains so far as they are gains that are brought into account for that year by virtue of section 2(5)(b).
 - (2B) Where deductions under subsection (2) above fall to be made from the chargeable gains for any year, the provisions of this Act relating to taper relief shall have effect as if those deductions were deductions under section 2(2)(a) and (b) and, accordingly, as if—
 - (a) those deductions were to be made (before the application of the relief) in computing for that year the excess (if any) mentioned in section 2A(1); and
 - (b) for the purpose of determining the gains represented in that excess, the gains for that year from which those deductions are treated as made were to be ascertained in accordance with section 2A(6).”

Gains attributed to settlors and beneficiaries

6 F3F4(1)

Changes to legislation: Finance Act 1998, SCHEDULE 21 is up to date with all changes known to be in force on or before 16 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) View outstanding changes

- F3(2)
- F5(3)
- F6(4)

Textual Amendments

- F3** Sch. 21 para. 6(1)(2) repealed (24.7.2002 with effect as mentioned in Sch. 40 Pt. 3(4) Note to the amending Act) by 2002 c. 23, s. 141, **Sch. 40 Pt. 3(4)** Note
- F4** Sch. 21 para. 6(1) omitted (with effect in accordance with Sch. 2 para. 22 to the amending Act) by virtue of Finance Act 2008 (c. 9), **Sch. 2 para. 21(c)(ii)**
- F5** Sch. 21 para. 6(3) omitted (with effect in accordance with Sch. 2 para. 56(3) to the amending Act) by virtue of Finance Act 2008 (c. 9), **Sch. 2 para. 55(a)(iv)**; and omitted (with effect in accordance with Sch. 7 para. 115 to the amending Act) by virtue of Finance Act 2008 (c. 9), **Sch. 7 para. 114(a)**
- F6** Sch. 21 para. 6(4) omitted (with effect in accordance with Sch. 2 para. 56(3) to the amending Act) by virtue of Finance Act 2008 (c. 9), **Sch. 2 para. 55(a)(iv)**; and omitted (with effect in accordance with Sch. 7 para. 115 to the amending Act) by virtue of Finance Act 2008 (c. 9), **Sch. 7 para. 114(a)**

Gains on assets deriving from reorganisation of body carrying on a mutual business etc.

- F77

Textual Amendments

- F7** Sch. 21 para. 7 omitted (with effect in accordance with Sch. 2 para. 56(3) to the amending Act) by virtue of Finance Act 2008 (c. 9), **Sch. 2 para. 55(a)(iv)**

Commercial letting of furnished holiday dwellings

- 8 In section 241(3) (provisions for the purposes of which letting of furnished holiday dwellings is to be treated as a trade), for “Schedule 6” there shall be substituted “Schedule A1 and Schedule 6”.

Delayed remittances in respect of foreign assets

- F89

Textual Amendments

- F8** Sch. 21 para. 9 omitted (with effect in accordance with Sch. 2 para. 56(3) to the amending Act) by virtue of Finance Act 2008 (c. 9), **Sch. 2 para. 55(a)(iv)**

Changes to legislation:

Finance Act 1998, SCHEDULE 21 is up to date with all changes known to be in force on or before 16 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.

[View outstanding changes](#)

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- Sch. 18 para. 52(2B)(b)-(d) omitted by [2024 c. 3 Sch. 2 para. 10\(3\)](#)
- Sch. 18 Pt. 9C repealed by [2009 c. 4 Sch. 1 para. 454\(1\)](#)[Sch. 3 Pt. 1](#) (This amendment not applied to [legislation.gov.uk](#). Sch. 18 Pt. 9C repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), Sch. 1 para. 454(1), Sch. 3 Pt. 1 (with Sch. 2 Pts. 1, 2))
- Sch. 18 Pt. 9C title substituted by [2006 c. 25 Sch. 3 para. 9](#) (This amendment not applied to [legislation.gov.uk](#). Sch. 18 Pt. 9C repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), Sch. 1 para. 454(1), Sch. 3 Pt. 1 (with Sch. 2 Pts. 1, 2))