



# Finance Act 2000

## 2000 CHAPTER 17

### PART III

#### INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

### CHAPTER I

#### CHARGE AND RATES

#### *Capital gains tax*

#### **37 Application of starting rate to capital gains tax**

- (1) In section 4 of the Taxation of Chargeable Gains Act 1992 (rates of capital gains tax), after subsection (1AA) insert—

“(1AB) If (after allowing for any deductions in accordance with the Income Tax Acts) an individual has no income for a year of assessment or his total income for the year is less than the starting rate limit, then—

- (a) if the amount on which he is chargeable to capital gains tax does not exceed the unused part of his starting rate band, the rate of capital gains tax in respect of gains accruing to him in the year shall be equivalent to the starting rate;
- (b) if the amount on which he is chargeable to capital gains tax exceeds the unused part of his starting rate band, the rate of capital gains tax in respect of such gains accruing to him in the year as correspond to the unused part shall be equivalent to the starting rate.

(1AC) The references in subsection (1AB) above to the unused part of an individual's starting rate band are to the amount by which the starting rate limit exceeds his total income (as reduced by any deductions made in accordance with the Income Tax Acts).”.

**Status:** *This is the original version (as it was originally enacted).*

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(2) This section has effect for the year 2000-01 and subsequent years of assessment.