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STATUTORY INSTRUMENTS

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**2008 No. 708**

**CAPITAL GAINS TAX**

**The Capital Gains Tax (Annual Exempt Amount) Order 2008**

*Made* - - - - *12th March 2008*

The Treasury make the following Order in discharge of the duty imposed upon them by section 3(4) of the Taxation of Chargeable Gains Act 1992<sup>(1)</sup>:

**Citation**

1. This Order may be cited as the Capital Gains Tax (Annual Exempt Amount) Order 2008.

**Exempt amount of capital gains for 2008-09**

2. The amount specified as the exempt amount for the year 2008-09 by virtue of section 3 of the Taxation of Chargeable Gains Act 1992 is, unless Parliament otherwise determines, £9,600.

12th March 2008

*Dave Watts*  
*Alan Campbell*  
Two of the Lords Commissioners of Her  
Majesty's Treasury

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<sup>(1)</sup> 1992 c.12; section 3 was amended by section 83 of the Finance Act 1993 (c.34), paragraph 3 of Schedule 21 to the Finance Act 1998 (c.36) and paragraph 3 of Schedule 28 to the Finance Act 2003 (c.14). The annual exempt amount was last increased by S.I. 2007/942.

**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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## EXPLANATORY NOTE

*(This note is not part of the Order)*

This Order specifies £9,600 as the exempt amount for the year 2008–09, by virtue of section 3 of the Taxation of Chargeable Gains Act 1992 (c.12) (“TCGA 1992”), unless Parliament otherwise determines. Section 3(1) of TCGA 1992 provides that an individual is chargeable to capital gains tax for a year of assessment only on the amount by which his taxable amount for the year exceeds the exempt amount.

By virtue of the Capital Gains Tax (Annual Exempt Amount) Order 2007 (S.I. 2007/942) the exempt amount for the year 2007-08 was set at £9,200. The amount of £9,600 is the amount for 2007–08 increased by the amount of the percentage increase in the retail prices index for September 2007 over that for September 2006, and rounded up to the nearest £100 in accordance with section 3(3) of TCGA 1992 (as amended by section 83 of the Finance Act 1993 (c.34)).

Under section 288(2) of TCGA 1992, “retail prices index” has the same meaning as in the Income Tax Acts; and “retail prices index” is defined in section 989 of the Income Tax Act 2007 as “(a) the general index of retail prices (for all items) published by the Office for National Statistics, or (b) if that index is not published for a relevant month, any substituted index or index figures published by that Office”. The retail prices index for September 2006 is 200.1 and for September 2007 is 208.0 (based on January 1987 as 100) (see Table 3.01 in Economic & Labour Market Review, Volume 1, issue 11, a National Statistics publication). Table 3.01 can be found at [http://www.statistics.gov.uk/elmr/11\\_07/downloads/Table\\_3\\_01.xls](http://www.statistics.gov.uk/elmr/11_07/downloads/Table_3_01.xls)