

2018 No. 244

CAPITAL GAINS TAX

The Capital Gains Tax (Annual Exempt Amount) Order 2018

Made - - - - *26th February 2018*

The Treasury make the following Order in discharge of the duty imposed by section 3(4) of the Taxation of Chargeable Gains Act 1992(a):

Citation

1. This Order may be cited as the Capital Gains Tax (Annual Exempt Amount) Order 2018.

Exempt amount of capital gains for 2018-19

2. The amount which is, by virtue of section 3 of the Taxation of Chargeable Gains Act 1992, the exempt amount for the tax year 2018-19 (unless Parliament otherwise determines) is £11,700.

Rebecca Harris
Andrew Stephenson

26th February 2018

Two of the Lords Commissioners of Her Majesty's Treasury

(a) 1992 c.12. Relevant amendments to section 3 were made by section 8 of the Finance Act 2011 (c.11), section 34 of the Finance Act 2012 (c.14) and section 9 of the Finance Act 2014 (c.26).

EXPLANATORY NOTE

(This note is not part of the Order)

Section 3 of the Taxation of Chargeable Gains Act 1992 (c.12) (“TCGA”) provides that an individual shall not be chargeable to capital gains tax in respect of so much of his taxable amount for any year of assessment as does not exceed the exempt amount for that year. Subsection (2) specifies the annual exempt amount (“AEA”) as £11,300. Subsection (3) provides that if there is an increase in the consumer prices index (“CPI”) that is deemed by subsection (3A) to be a relevant increase, the AEA is increased in relation to a tax year by reference to a formula prescribed by subsection (3B) unless Parliament otherwise determines.

Subsection (4) requires the Treasury to make an Order before the start of the tax year showing the amount arrived at by applying that formula. The AEA for the tax year 2017-18 was £11,300. This Order shows that the AEA for the tax year 2018-19 is £11,700.

The 12 month percentage increase in the CPI for the year ending September 2017 was 3%. In accordance with the formula prescribed by subsections (3) to (3B) the AEA has been increased by 3% and rounded up to the nearest £100.

The CPI percentage change is a publication of the Office of National Statistics and can be found at:

<http://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/d7g7/mm23>

or by writing to Customer Contact Centre, Office for National Statistics, Room D265, Government Buildings, Cardiff Road, Newport, South Wales NP10 8XG.

A Tax Information and Impact Note covering this instrument will be published on the website at:

<https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins>

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