



Capital Gains Tax

	2007/08	2006/07
Taxed as top slice of savings income		
Annual exemption		
- individual	£9,200	£8,800
- settlement(s) (spread over total number)	£4,600	£4,400
Transfers between spouses and civil partners living together are exempt		
Chattels exemption		
(proceeds per item or set)	£6,000	£6,000

Taper Relief

For gains realised after 5 April 1998 by individuals or trustees, indexation allowance is frozen and the gain reduced by a tapering relief. The value of the taper relief depends on whether or not the asset is a business asset, and on the number of complete years the asset has been held after 5 April 1998 (with an additional "bonus" year for non-business assets held on 16 March 1998).

No. of complete years held after 5 April 1998	% gain chargeable
1	100
2	100
3	95
4	90
5	85
6	80
7	75
8	70
9	65
10 or more	60

Ctd



No of complete years held	Disposals
	% of gain chargeable
0	100
1	50
2 or more	25

Notes

1. Transfers between spouses and civil partners living together are exempt.
2. Capital gains are regarded as the top slice of savings income. Rates of 10%, 20% and 40% will therefore apply to gains taxed on individuals, as appropriate. Gains taxed on trustees are usually taxed at the special trust rate of 40%.
3. Capital gains of trusts are taxed at the trust rate of 40%. Where there are several trusts created by the same settlor, the annual exemption is divided equally between them, subject to a minimum exemption of £920 (2006/07 £880) for each trust.