

Capital Gains Tax

Capital gains tax rates and bands are as follows:

	2008/09	2007/08
On chargeable gains	18%	Taxed as top slice of savings income
Annual exemption		
• Individual	£9,600	£9,200
• Settlement(s) (spread over total number)	£4,800	£4,600
Chattels exemption (proceeds per item or set)	£6,000	£6,000

Entrepreneurs' Relief

This relief will reduce the chargeable gain on qualifying assets by 4/9, resulting in an effective rate of 10%. An individual will be able to make claims for disposals on or after 6 April 2008. Claims may be made on more than one occasion, up to a "lifetime" total of £1 million of gains.

Notes

1. Transfers between husband and wife or civil partners living together are generally exempt.
2. Capital gains of all trusts for 2008/09 are taxed at the standard rate of 18% (2007/08 special rate for trusts 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 £960 (2007/08 £920) for each trust.

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