



Coverage:  
United Kingdom

Theme:  
The Economy

Released:  
30 October 2015  
Next update:  
October 2016

Frequency of release:  
Annually

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# Capital Gains Tax (CGT) Statistics



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## **About these statistics**

This is a National Statistics publication produced by HM Revenue and Customs. For more information on National Statistics and governance of statistics produced by public bodies please see the UK Statistics Authority website:

[www.statisticsauthority.gov.uk](http://www.statisticsauthority.gov.uk)

The tables in this publication provide breakdowns of the number of Capital gains taxpayers, gains and tax accruals (liabilities) by year of disposal.

## **New or updated statistics in this release**

These statistics were published on the 30th October 2015 with updates to the previous provisional figures and new figures added for 2013-14 using Self Assessment data and new survey information for 2012-13.

For historic years the tables this year show only normal changes due to the addition of a small number of taxpayers each year. Earlier figures for years between 2008-09 and 2010-11 have been marked as 'provisional but with future changes expected to be very small'.

The last year covered by these tables, 2013-14, was a year without major changes to the tax regime. The tables included in this year's publication follow the same format as last year, with no additions or subtractions.

The next scheduled release is in October 2016. In accordance with the Code of Practice for official statistics, the exact date of publication will be given not less than one calendar month before publication on both the HMRC website and Office for National Statistics publication hub.

## **SECTION 1: Introduction and background information**

### **What is capital gains tax?**

Capital gains tax (CGT) was first introduced in 1965 on capital gains made on the disposal of assets by individuals, trusts and personal representatives of deceased persons.

CGT is charged on gains realised on the disposal of assets. For this purpose the disposal of an asset includes any occasion when the beneficial ownership (relates to the person who enjoys the benefits of the asset) of part or all of an asset is transferred from one person to another (although most transfers between husband and wife, or between registered civil partners, are treated as giving rise to neither gain nor loss). Types of disposal include sales, gifts, and exchanges but the death of an individual is not treated as a disposal of his or her assets. Typical assets are land, stocks and shares and other tangible items of wealth like works of art but also include intangible items of wealth like the goodwill of a business.

The capital gain is broadly the difference between the disposal proceeds and the cost of acquiring the asset. In some circumstances, the market value of the asset at the time of acquisition/disposal is used. Expenditure which has increased the asset's value, as well as incidental costs of acquisition/disposal, may be deducted. There are various reliefs and exemptions which may reduce the amount of CGT to be paid. For example, there is normally no CGT liability on the disposal of a person's main or only home.

Capital losses may be deducted from gains chargeable in the tax year in which the losses are incurred or, if these gains are insufficient, the unused losses may be carried forward to be deducted from gains in later tax years. Capital losses may be carried back to earlier tax years in only very limited circumstances.

### **Recent changes to capital gains tax**

The CGT regime has changed significantly since it was first introduced in 1965. Many of the current features of the CGT regime have been introduced since 2008 and are therefore set out below. Annex B gives details of earlier changes to the CGT regime between 1982 and 2004.

#### **2008**

A single CGT rate of 18% was introduced for individuals, trusts and personal representatives of deceased persons. The annual exempt amount, which exempts gains up to a limit, remained in place but taper relief and indexation allowance were withdrawn. A new entrepreneur's relief was made available to individuals and certain trusts. Entrepreneur's relief allows individuals and some trusts to claim relief on qualifying gains made on the disposal of any of the following:

- all or part of a business
- the assets of a business after it has stopped trading
- shares in a company

This relief provided an effective 10% rate on the first £1 million of lifetime gains of qualifying disposals. Further details of the changes are covered in the linked document:

<http://www.hmrc.gov.uk/cgt/businesses/reliefs.htm>

## **2010**

In March 2010 the limit for entrepreneur's relief was extended to cover the first £2 million of lifetime gains. The lifetime limit for entrepreneur's relief was extended to cover the first £5m of lifetime gains for disposals after 23<sup>rd</sup> June 2010.

The 2010 Finance Act introduced a further reform of capital gains tax during the 2010-11 tax year in line with the June 2010 budget. For individuals where their total taxable income and gains after all allowable deductions (including losses, the income tax personal allowance and the CGT AEA) are less than the upper limit of the basic rate income tax band (£37,400 for 2010-11), the rate of CGT will be 18%. For gains (and any parts of gains) above that limit the rate will be 28%. For trusts and personal representatives of deceased persons, the rate will be 28%. Where entrepreneur's relief applies for individuals or trusts the rate remains 10%.

## **2011**

Further reforms were made to the CGT regime announced at Budget 2011. Entrepreneur's relief was extended to £10m of gains over a lifetime from 6 April 2011.

## **2012**

The annual exempt amount for 2012-13 was frozen for individuals at £10,600, the level of the allowance in 2011-12. A new relief, Seed Enterprise Investment Relief, was introduced to help small, early-stage companies to raise equity finance by offering a range of tax reliefs (including CGT if conditions apply) to individual investors who purchase new shares in those companies. This relief applies to shares issued on or after 6 April 2012.

## **2013**

There were a number of measures announced in the 2013 budget which are detailed at [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/221885/budget2013\\_complete.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/221885/budget2013_complete.pdf). One of the major changes, affecting qualifying share disposals from 6 April 2013, was announced in the 2012 Budget, and extended Entrepreneur's Relief to cover gains made through the extension of Enterprise Management Initiative options to those qualifying share disposals. Seed Investment Relief was extended to 2013-14 but only 50% relief was given. Relief was available against CGT chargeable on gains realised in 2013-14 and reinvested in qualifying companies in 2013-14 or 2014-15. Announced at Budget 2012, but applying from April 2013, was a new tax on residential properties valued at over £2 million held in corporate envelopes (the Annual Tax on Enveloped Dwellings, ATED) with a CGT charge of 28% on gains made on disposal of enveloped properties since April 2013. The CGT charge also applied from April 2013.

## **2014**

The Seed Enterprise Investment Relief was made permanent at the 50% rate. Social investment tax relief was introduced which for qualifying investments in social enterprises, e.g. charities, gave a deferral of the CGT charge on the invested gains. Also after holding such investments for 3 years or more disposal of qualifying investments were free of CGT. ATED was extended to residential properties valued over £500,000 (with rates applying depending on the band range) with the CGT charge on disposal now also applying to enveloped residential properties over £500,000.

## What does this publication tell me?

The purpose of this publication is to provide information on liable CGT tax payers using information from Self Assessment returns. The statistics show the number of liable taxpayers, gains and the tax accruals (liabilities). The publication also shows how total CGT liabilities and gains are spread by the size of the gain and income range of those making the disposal.

Information on the asset type in tables 14.6, 14.7 and 14.8 is derived from an annual sample of capital gains schedules submitted with Self Assessment returns. Detailed computations of chargeable gains are obtained for each case sampled. These show the amounts arising from disposals of different types of assets, the period for which they were held, the cost of acquiring each asset, enhancement expenditure (e.g. expenditure on the development of a house), the sale price and costs of disposal, the amount of indexation allowance and any other allowances or reliefs.

In **Tables 14.1 to 14.3**, for years to 1997-98, "Gains" are the sum of chargeable gains from all disposals made by a taxpayer; i.e., having taken off indexation allowance and other reliefs, but before deducting the annual exempt amount, past capital losses, or trading losses. From 1998-99, "Gains" refers to total taxable gains net of reliefs available at disposal, and after deduction of trading losses, past capital losses and taper relief, but before deducting the annual exempt amount. Between 1998-99 and 2007-08, taper relief (a percentage applied to the gain depending on how long the asset had been held) reduced the gains which were taxable and had a significant impact on the gains reported in **Table 14.1**. As taper relief was abolished in 2008-09, gains since 2008-09 are not comparable to earlier years. "Tax accruals" relates to the tax liabilities for the year of disposal and not tax receipts as payment to HMRC takes place later. CGT receipts data are published at <https://www.gov.uk/government/statistics/disaggregation-of-hmrc-tax-receipts>

**Table 14.4** was introduced four years ago. This year the table provides information on gains on disposals made in 2009-10, 2010-11, 2011-12, 2012-13 and 2013-14 for taxpayers with gains which qualified for entrepreneur's relief (from 23 June 2010 this amounted to a reduced tax rate rather than a relief given against a higher tax rate).

A new table was introduced in the October 2013 edition of this publication, **Table 14.5**, which shows the amount of gains and tax liabilities for individuals by region and UK country. This table is based on the postcode of the residence of the individual. For the small minority of taxpayers where the postcode is unknown their gains and CGT liabilities are distributed in the same proportions as those where the postcode is known.

**Tables 14.6, 14.7 and 14.8** show the number of disposals, disposal value and chargeable gains arising in the 2012-13 tax year before the deduction of in year losses, past capital losses and the annual exempt amount.

The information in **Tables 14.7** and **Table 14.8** is tabulated by types of asset, and within these, ranges of periods the asset was held. **Table 14.7** has the full breakdown into detailed holding period ranges for the major types of financial and non-financial asset separately. **Table 14.8** has a further breakdown of financial and non-financial assets into sub-categories by holding period.

The rates of capital gains tax since 1977-78 are given in **Table A.7**, which also shows the amounts of the annual exemption available for each year from 1980-81 and rates of taper relief from 1998-99 to 2007-08.

## Statistics in this release

Table	Description	Data Source	Links
14.1	Estimated taxpayer numbers, gains and tax accruals by year of disposal, 1987-88 to 2013-14	SA data	<a href="#">link</a>
14.2	Estimated taxpayer numbers, gains and tax accruals by year of disposal and size of gain, 2009-10 to 2013-14	SA data	<a href="#">link</a>
14.3	Estimated number of individual taxpayers, gain and income net of deductions by year of disposal and size of gain, 2009-10 to 2013-14	SA data	<a href="#">link</a>
14.4	Numbers of individual claimants of entrepreneur's relief and amounts of gain by year of disposal and size of gain on which entrepreneur's relief claimed, 2009-10 - 2013-14	SA data	<a href="#">link</a>
14.5	Estimated number of CGT liable individuals, gains and tax accruals by UK country, 2009-10 to 2013-14	SA data	<a href="#">link</a>
14.6	Estimated number of taxpayer disposals, value of disposals, and chargeable gains by type of asset disposed of in 2012-13	CGT survey data	<a href="#">link</a>
14.7	Analysis of taxpayer disposals by length of period of ownership and type of asset disposed of in 2012-13	CGT survey data	<a href="#">link</a>
14.8	Estimated number of taxpayer disposals, value of disposals, and chargeable gains by asset types disposed of in 2012-13	CGT survey data	<a href="#">link</a>
A.7	Rates of Capital Gains Tax	N/A	<a href="#">link</a>

### Who might be interested?

These tables would be of interest to policy makers in government, academics, 'think-tanks' and other research bodies and journalists. They would be of use to individuals or organisations interested in the number of capital gains taxpayers and CGT liabilities in total, and the distributions of taxpayer numbers and amounts of CGT, for example by the taxpayer's tax band. Users interested in the spread of gains or CGT liabilities across the taxpayer's income distribution may also be interested. The later tables based on a survey would interest anyone wanting capital gains split by type of asset and length of time the asset was held.

### User engagement

We are committed to providing impartial quality statistics that meet our users' needs. We encourage our users to engage with us so we can improve our official statistics and identify gaps in the statistics that we produce. If you would like to comment on these statistics, or have any enquiries on the statistics, please get in touch with the statistical contacts named at the end of this section.

## **Publication and revision strategy**

These statistics are published annually, usually in October. Release dates will be announced on the UK Statistics Hub and the HMRC National Statistics release schedule. Any delays to the publication date will be announced on the HMRC National Statistics website.

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## SECTION 2: Capital gains tax statistics

The statistics in **Section 2** provide analyses of capital gains taxpayers. These are based on tax records supplied by information on Self Assessment data for those with a CGT liability. The latest data available is for the tax year 2013-14. The latest sample data (detailed asset-level information) is based on Self Assessment returns submitted for the 2012-13 tax year. Data sources and methods are described in more detail in Annex A.

### ***Summary of key statistics***

The headline statistics for individuals and trusts can be found below together with the tables.

#### **Table 14.1 Estimated taxpayer numbers, gains, and tax accruals by year of disposal - tax years 1987-88 to 2013-14**

This table uses assessment data up to and including the close of 1997 account (31 October 1997) and data from Self Assessment returns for 1996-97 onwards.

Capital gains tax accruals have steadily increased year-on-year since 2001-02, reaching a record high of £7.69 billion for all CGT taxpayers in 2007-08. This record high was followed by a 67% fall to £2.55 billion in 2008-09. The total amount of CGT liability increased in 2009-10 to £3.40 billion (up by 33%) which was close to levels last seen in 2004-05. A further increase to £4.29 billion in 2010-11 (a rise of 26%) meant liabilities in that year were closer to 2005-06 levels. Liabilities then fell by 11% in 2011-12 to £3.82bn, and remained at a similar level in 2012-13 at £3.83bn. In 2013-14 liabilities increased by 43% to £5.48bn reflecting changes in equity prices, and house transactions and prices. Underlying changes in the number of taxpayers and in the amount of gains are discussed below.

From 2004-05 to 2007-08 the number of individuals liable to CGT increased each year reaching 250,000 in 2007-08 before falling to 133,000 in 2008-09. The amount of gains realised moved in the same direction over the period, although these gains figures are not really comparable because 2007-08 gains were considerably affected by taper relief whilst 2008-09 gains were not. Gains before taper relief in 2007-08 were an exceptional £71bn so on a comparable basis the fall in gains was over 75%. We think that this reflects the difficult outlook for asset markets and the major change to the CGT regime in the Finance Act 2008 which was pre-announced in the October 2007 Pre-Budget Report. The reform potentially created some complex incentives but on balance it appears to have led to significant amounts of forestalling to avoid an impending rise in the tax rate for business assets.

## 14.1 Capital gains tax

Estimated taxpayer numbers, gains and tax accruals by year of disposal, 1987-88 to 2013-14

Numbers: thousands; Amounts: £ millions

Year of disposal	Individuals				Trusts <sup>1</sup>			All taxpayers			
	Number <sup>2</sup>	Males as % of total	Females as % of total	Amounts of gains <sup>3</sup>	Amounts of tax	Number	Amounts of gains <sup>3</sup>	Amounts of tax	Number	Amounts of gains <sup>3</sup>	Amounts of tax
1987-88	135			7,994	1,993	17	718	182	152	8,712	2,175
1988-89	135			5,366	1,637	16	626	155	151	5,992	1,792
1989-90	127			4,832	1,495	17	654	163	144	5,486	1,658
1990-91	96			2,912	869	12	419	107	108	3,332	976
1991-92	75			2,634	804	10	365	90	85	2,999	894
1992-93	60			1,885	539	9	275	67	70	2,160	606
1993-94	77			2,740	809	12	445	110	90	3,185	919
1994-95	64			2,212	651	10	367	93	73	2,579	745
1995-96	86			3,131	890	13	809	220	98	3,940	1,110
1996-97	97			3,918	1,203	20	1,053	255	117	4,971	1,458
1997-98	142			5,444	1,657	28	1,575	369	170	7,019	2,026
1998-99	135			5,958	1,936	25	998	313	160	6,956	2,249
1999-00	185			8,761	2,821	27	1,493	475	212	10,254	3,296
2000-01	178			7,732	2,425	25	1,256	394	203	8,987	2,819
2001-02	122			4,556	1,324	16	816	257	139	5,372	1,581
2002-03	133			6,588	2,052	12	774	249	144	7,362	2,301
2003-04	153			6,869	2,037	13	986	319	166	7,855	2,356
2004-05	181	58%	42%	9,170	2,792	15	1,076	409	196	10,247	3,201
2005-06	204	58%	42%	11,562	3,599	21	1,215	452	225	12,777	4,052
2006-07	242	58%	42%	15,404	4,893	23	1,460	550	264	16,864	5,444
2007-08	250	59%	41%	20,874	6,961	21	1,910	733	272	22,784	7,694
<b>Amounts of gains and tax from 2008-09 onwards when taper relief abolished, the 18% CGT rate and entrepreneurs' relief introduced, not comparable with amounts in earlier years.</b>											
2008-09 <sup>4,5</sup>	133	60%	40%	14,014	2,265	13	1,614	283	146	15,629	2,547
2009-10 <sup>4,5</sup>	152	60%	40%	18,497	3,008	16	2,241	389	168	20,738	3,398
<b>Amounts of tax from 2010-11 onwards are not comparable to earlier years because of the introduction of a higher tax rate applying to some taxpayers from 23 June 2010</b>											
2010-11 <sup>4,5</sup>	170	59%	41%	23,208	3,811	18	2,338	476	188	25,546	4,287
2011-12 <sup>5</sup>	148	59%	41%	21,650	3,413	14	1,590	409	162	23,240	3,822
2012-13 <sup>5</sup>	155	58%	42%	22,129	3,486	15	1,367	344	171	23,496	3,830
2013-14 <sup>6</sup>	191	57%	43%	29,998	4,948	20	2,115	535	211	32,113	5,483

<sup>1</sup> Includes personal representatives of the deceased.

<sup>2</sup> Before the introduction of Independent Taxation in 1990-91 each taxpaying married couple counted as one "individual". From 1990-91 each person in the marriage with a Capital Gains Tax liability is counted separately.

<sup>3</sup> Unless otherwise stated gains are after the deduction of taper relief and losses plus attributed gains but before deduction of the Annual Exempt Amount. Different taper rates applied during the period from 1998-99 to 2007-08 when taper relief applied.

<sup>4</sup> Amounts of gains in 2008-09 (when taper relief was abolished and the 18% CGT rate and entrepreneur's relief introduced), 2009-10 and 2010-11 (when a higher rate of 28% was introduced after 23 June) are not comparable with earlier years. Amounts of gains in 2011-12, 2012-13 and 2013-14 are only comparable with each other as they are the full years when a higher rate of 28% applied to high enough gains.

<sup>5</sup> Provisional, however any changes to these figures are likely to be very small.

<sup>6</sup> Provisional.

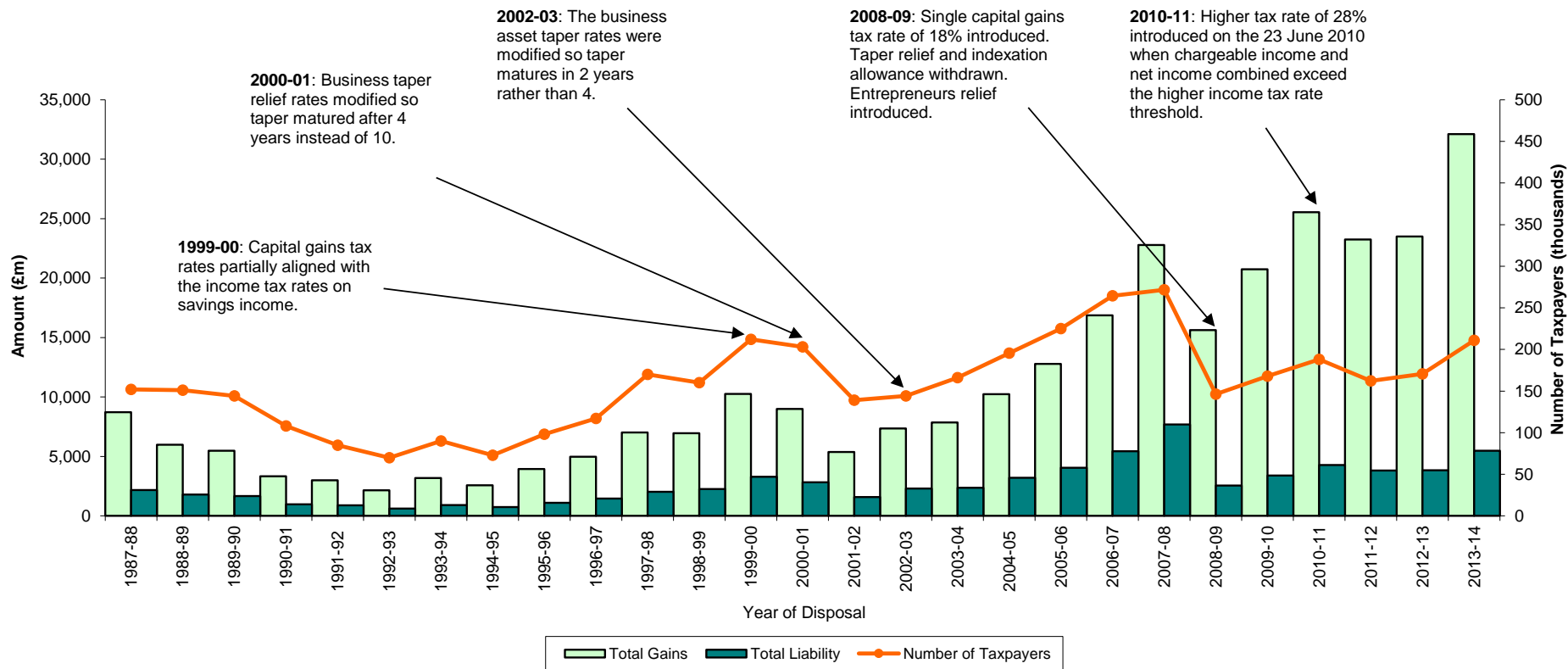
There was some recovery in 2009-10 from the lower levels of individuals liable to tax and lower levels of gains seen in 2008-09, with numbers of liable individuals up by 14% and gains and CGT liability up by 33%. As there were no significant changes made to CGT in the 2009 budget it is likely that the higher numbers of individual taxpayers and gains reflect the better economic conditions in 2009-10, particularly in the second half of the financial year. It is also likely to reflect 2008-09 being depressed to some extent by forestalling in 2007-08. Further recovery occurred in 2010-11 with individuals' gains up by 25% and number of individual taxpayers up by 12%. The reasons for this are more complex as in addition to any changes in economic conditions in 2010-11 there was an increase in CGT tax rates for many, following the June 2010 Budget. As some increase was widely anticipated due to media speculation it is likely that some taxpayers realised their gains earlier in 2010-11, before the tax increases took place. Although some of these disposals would have been made then instead of later in the year it is likely that some were brought forward from a later year, particularly 2011-12, boosting the overall gains in 2010-11. The continuing uncertainties in asset markets may also have encouraged this. As expected, and in line with the 2010-11 forestalling, there were reductions in 2011-12 in numbers of taxpayers (down 13%), amounts of gains (down 7%) and amounts of CGT (down 11%). The CGT liabilities in 2012-13 were very similar to those in the previous year, with only small increases in the number of taxpayers (up 5%), amounts of gains (up 2%) and amounts of CGT (up 0.2%), suggesting that the effects of forestalling from the 2010-11 tax changes continued into 2012-13.

There were considerable changes in 2013-14 compared to the previous year. Total liabilities for CGT increased to £5.48 billion compared to £3.83bn in 2012-13. CGT liabilities for individuals were up by 43% to £4.9bn leading to 2013-14 registered as the year with the highest CGT liability in the table, after 2007-08. Gains increased by 36% and the number of CGT liable individuals was 23% higher than the year before. These increases reflected higher equity prices of around 13%, an increase in house transactions of around 23% and higher house prices (up by around 5%) and a likely fall in the impact of any forestalling in anticipation of the 2010-11 tax increases.

The number of trusts liable to CGT remained relatively stable at around 20,000 per year over the three years up to and including 2007-08, decreasing to around 13,000 in 2008-09. Over the following four years to 2012-13, numbers of trusts liable to CGT recovered slightly to between 14,000 and 18,000 each year. However in 2013-14 the number of trusts liable to CGT increased to 20,000 and gains increased by 55% to £2.1 billion with tax liabilities increasing by a similar amount (56%) to £535m.

The percentage of male and female taxpayers is shown next to the numbers of individuals from 2004-05 onwards. In the period for which data are available, there are more CGT liable males than females. During the period 2004-05 to 2009-10, the proportion of CGT liable males rose from 58% to 60% (with a complementary decrease from 42% to 40% in females). The proportion of males dropped back to 59% (with a complementary increase to 41% in CGT liable females) in 2010-11 with the split unchanged from 2010-11 in 2011-12, and dropped further to 58% (with 42% females) in 2012-13, returning to a split similar to that seen in 2004-05. The proportion of males fell back to 57% in 2013-14.

**Figure 1** shows the total change in gains and tax liabilities between 1987-88 and 2013-14.



**Figure 1. Total gains and tax paid by year of disposal**

Note. The gain on assets held on 31 March 1982 would normally be computed by reference to the value on that date. This is known as 'rebasings'.

\*Gains before 2007-08 are not comparable due to taper relief.

## **Table 14.2 Estimated taxpayer numbers, gains and tax accruals by year of disposal and size of gain, tax years 2009-10 to 2013-14**

This table gives supplementary analyses of CGT from Self Assessment data for the last five years of disposal. The totals by range of gain are consistent with those for the same years in **Table 14.1**.

The gains distribution follows the same pattern for individuals and trusts with taxpayer numbers declining as the size of gains in the ranges increases. Over the first three years, the overall number of individuals and trusts with a CGT liability, the amount of gains and the amount of tax liable showed the same pattern. There were increases between 2009-10 and 2010-11, then a drop in 2011-12. The next year, 2012-13, showed only minor changes from 2011-12, with small increases in the number of individuals and trusts with a CGT liability, and in the total amount of gains and tax liabilities of individuals, but some decline in the total amount of gains and amount of tax liable for trusts. In 2013-14 there were quite large increases in numbers with CGT liability, amount of gains and amount of tax for individuals and trusts.

Changes in the distribution from year to year depended on the gain range. For example the percentage of CGT derived from taxpayers with gains above £500,000, increased every year slightly from 2009-10 to 2011-12 (from 60% in 2009-10 to 63% in 2011-12) then dropped back to 62% in 2012-13 before increasing to 65% in 2013-14. The proportion of CGT from taxpayers with gains below £250,000 has steadily declined from 40% in 2009-10 to 35% in 2013-14.

The largest proportion of CGT taxpayers have gains in the range of £10,000 to £25,000. The percentage of taxpayers in this range increased from 41% in 2011-12 to 43% in 2012-13 but dropped back to 41% in 2013-14. The percentage of taxpayers with gains of more than £1 million remained unchanged at 2.2% between 2011-12 and 2012-13 but increased to 2.4% in 2013-14.

Overall the number of trusts paying CGT was up by 27% in 2013-14 compared to 2012-13 with the amount of gains up by 55% and the amount of tax up by 56%. The number of trusts paying CGT was higher in all ranges of gains in 2013-14 compared to 2012-13, as were the total amounts of gains and amounts of tax. The amount of gains and amount of tax liability both showed an annual increase of 73% in 2013-14, for taxpayers with gains of £1m or over. This was the range with the largest annual increase in gains and tax in 2013-14.

# 14.2 Capital gains tax

Estimated taxpayer numbers, gains and tax accruals by year of disposal and size of gain, 2009-10 to 2013-14

Numbers: thousands; Amounts: £ millions

Range of gain (lower limit) £	Individuals			Trusts <sup>1</sup>			All taxpayers		
	Number <sup>2</sup>	Amounts of gains <sup>3</sup>	Amounts of tax	Number <sup>2</sup>	Amounts of gains <sup>3</sup>	Amounts of tax	Number <sup>2</sup>	Amounts of gains <sup>3</sup>	Amounts of tax
<b>Disposals in 2009-10 <sup>4</sup></b>									
1 <sup>5</sup>	-	-	-	6	34	2	6	34	2
10,000	67	1,042	66	4	59	7	71	1,101	73
25,000	35	1,244	159	2	77	12	37	1,321	171
50,000	23	1,615	247	2	129	22	25	1,744	269
100,000	16	2,435	407	2	241	42	17	2,676	449
250,000	6	1,946	339	1	231	41	6	2,177	380
500,000	3	1,861	330	0	224	40	3	2,085	371
1,000,000	2	8,354	1,459	0	1,245	222	3	9,599	1,682
<b>Total <sup>6</sup></b>	<b>152</b>	<b>18,497</b>	<b>3,008</b>	<b>16</b>	<b>2,241</b>	<b>389</b>	<b>168</b>	<b>20,738</b>	<b>3,398</b>
<b>Disposals in 2010-11 <sup>4</sup></b>									
1 <sup>5</sup>	-	-	-	7	41	4	7	41	4
10,000	74	1,147	77	4	64	11	78	1,211	87
25,000	38	1,359	184	2	83	17	41	1,442	201
50,000	26	1,822	300	2	115	25	28	1,937	325
100,000	18	2,796	484	1	217	49	20	3,012	533
250,000	7	2,349	401	1	201	44	7	2,551	445
500,000	4	2,581	427	0	199	44	4	2,780	471
1,000,000	3	11,154	1,932	0	1,417	284	4	12,571	2,216
<b>Total <sup>6</sup></b>	<b>170</b>	<b>23,208</b>	<b>3,811</b>	<b>18</b>	<b>2,338</b>	<b>476</b>	<b>188</b>	<b>25,546</b>	<b>4,287</b>
<b>Disposals in 2011-12 <sup>4</sup></b>									
1 <sup>5</sup>	-	-	-	6	37	4	6	37	4
10,000	63	997	67	3	55	10	66	1,052	78
25,000	34	1,221	171	2	60	14	36	1,280	185
50,000	22	1,543	265	1	78	20	23	1,621	286
100,000	16	2,441	429	1	134	36	17	2,575	464
250,000	6	2,165	360	0	133	36	7	2,298	396
500,000	3	2,351	376	0	124	34	4	2,474	410
1,000,000	3	10,932	1,743	0	970	255	4	11,903	1,998
<b>Total <sup>6</sup></b>	<b>148</b>	<b>21,650</b>	<b>3,413</b>	<b>14</b>	<b>1,590</b>	<b>409</b>	<b>162</b>	<b>23,240</b>	<b>3,822</b>
<b>Disposals in 2012-13 <sup>4</sup></b>									
1 <sup>5</sup>	-	-	-	7	38	4	7	38	4
10,000	70	1,104	74	4	60	11	74	1,164	85
25,000	34	1,217	176	2	66	16	36	1,284	191
50,000	21	1,501	267	1	90	23	23	1,591	290
100,000	16	2,391	439	1	145	39	17	2,536	477
250,000	6	2,160	373	0	132	35	7	2,292	408
500,000	3	2,429	399	0	151	39	4	2,580	438
1,000,000	4	11,326	1,756	0	684	177	4	12,011	1,933
<b>Total <sup>6</sup></b>	<b>155</b>	<b>22,129</b>	<b>3,486</b>	<b>15</b>	<b>1,367</b>	<b>344</b>	<b>171</b>	<b>23,496</b>	<b>3,830</b>
<b>Disposals in 2013-14 <sup>7</sup></b>									
1 <sup>5</sup>	-	-	-	8	47	5	8	47	5
10,000	83	1,325	89	5	78	14	87	1,403	103
25,000	43	1,528	223	3	91	21	46	1,620	244
50,000	28	1,949	356	2	125	32	30	2,074	388
100,000	20	3,162	590	1	196	52	22	3,357	643
250,000	8	2,834	504	1	193	52	9	3,027	556
500,000	4	2,968	502	0	200	53	5	3,168	555
1,000,000	5	16,232	2,682	0	1,184	306	5	17,416	2,988
<b>Total <sup>6</sup></b>	<b>191</b>	<b>29,998</b>	<b>4,948</b>	<b>20</b>	<b>2,115</b>	<b>535</b>	<b>211</b>	<b>32,113</b>	<b>5,483</b>

<sup>1</sup> Includes personal representatives of the deceased.

<sup>2</sup> 0 indicates fewer than 500 taxpayers

<sup>3</sup> Unless otherwise stated gains are after deduction of taper relief and losses plus attributed gains but before deduction of annual exempt amount.

<sup>4</sup> Provisional, however any changes in figures are likely to be very small.

<sup>5</sup> Figures only given for trusts as their annual exempt amount is under £10,000.

<sup>6</sup> Totals may not sum due to rounding.

<sup>7</sup> Provisional.

- negligibly small or zero.

### **Table 14.3 Estimated number of individual taxpayers, gains and tax accruals by year of disposal, size of gain and income, tax years 2009-10 to 2013-14**

This table shows the distribution of individual taxpayer numbers and gains broken down by range of gain and by range of taxable income for individuals. Taxable income is income net of allowances and reliefs – see background notes to the Income Tax section. The intermediate income bands reflect starting and basic rate limits each year. Disposals from 2010-11 onwards include an income band above the £150,000 threshold to provide data on gains for those who paid the then top rate of income tax. (In 2010-11, the 50% income tax rate was introduced for taxable income above £150,000. This was reduced to 45% for the 2013-14 tax year.)

There is a clear pattern to the distribution with large numbers of individuals making smaller gains falling into the lower income categories, while most individuals making gains in excess of £1 million fall into the category representing the highest income range. Only the three latest years, 2011-12, 2012-13 and 2013-14, have consistent tax regimes (with minor changes between them) because of changes in the way gains were taxed in earlier years. There were only very minor changes in the tax regime between 2010-11 and 2011-12 but the years are not comparable because the change to 2010-11 didn't occur until June 2010. This means that we did not have a whole year in 2010-11 with a similar tax regime to 2011-12.

The percentage of individual taxpayers with CGT gains, with a taxable income below the higher (40%) rate limit was between 53% and 59% in all five years, peaking at 59% in 2010-11, accounting for between 26% and 29% of all gains. The proportion of individual CGT taxpayers with annual incomes above £100,000 fell from 20% in 2009-10 (accounting for 55% of gains) to 16% in 2010-11 (49% of gains), but has increased slightly each year since. Disposals by this group may have been particularly high in 2009-10 due to concerns about impending higher CGT rates for higher rate taxpayers. The gains made by taxpayers with a taxable income above £100,000 has accounted for just under half of total CGT payer gains between 2010-11 and 2012-13 and just over half of total CGT payer gains in 2013-14.

There were 31% more CGT payers with taxable income over £150,000 in 2013-14 compared to 2012-13. These taxpayers made 50% more gains in 2013-14 than in the previous year. In the high income, high gain category where taxable income was over £150,000 and gains were over £1m there were 44% more CGT taxpayers and 54% more gains.

## 14.3 Capital gains tax

Estimated number of individual taxpayers and gains by year of disposal, size of gain and income net of deductions, 2009-10 to 2013-14 <sup>1,2</sup>

Numbers: thousands; Amounts: £ millions

Range of gain <sup>2</sup> (lower limit) £	Amounts of gains		Amounts of gains		Amounts of gains		Amounts of gains		Amounts of gains		Amounts of gains	
	Number <sup>3</sup>	Amounts of gains	Number <sup>3</sup>	Amounts of gains	Number <sup>3</sup>	Amounts of gains	Number <sup>3</sup>	Amounts of gains	Number <sup>3</sup>	Amounts of gains	Number <sup>3</sup>	Amounts of gains
<b>Disposals in 2009-10 <sup>4</sup></b>												
Range of taxable income (lower limit) £												
	0		37,400		50,000		100,000				All	
10,000	41	648	6	94	9	145	10	156	67	1,042		
25,000	21	759	3	111	5	176	6	199	35	1,244		
50,000	13	889	2	145	4	251	5	330	23	1,615		
100,000	7	1,033	1	214	3	427	5	761	16	2,435		
250,000	2	598	0	137	1	353	2	856	6	1,946		
500,000	1	433	0	106	0	326	1	996	3	1,861		
1,000,000	0	612	0	183	0	732	2	6,827	2	8,354		
All <sup>5</sup>	85	4,971	13	991	22	2,411	30	10,124	152	18,497		
<b>Disposals in 2010-11 <sup>4</sup></b>												
Range of taxable income (lower limit) £												
	0		37,400		50,000		100,000		150,000		All	
10,000	47	734	7	101	11	163	4	62	6	87	74	1,147
25,000	25	874	3	110	5	190	2	75	3	110	38	1,359
50,000	15	1,057	2	168	4	293	2	120	3	185	26	1,822
100,000	9	1,311	2	259	4	552	2	269	3	405	18	2,796
250,000	2	844	1	220	1	481	1	258	2	526	7	2,349
500,000	1	739	0	211	1	570	0	320	1	741	4	2,581
1,000,000	1	1,195	0	393	1	1,385	0	1,230	1	6,952	3	11,152
All <sup>5</sup>	100	6,753	15	1,461	27	3,634	11	2,333	18	9,026	170	23,208
<b>Disposals in 2011-12 <sup>4</sup></b>												
Range of taxable income (lower limit) £												
	0		35,000		50,000		100,000		150,000		All	
10,000	38	609	7	106	9	146	4	56	5	80	63	997
25,000	22	771	3	121	5	166	2	63	3	100	34	1,221
50,000	13	866	2	167	4	251	1	99	2	160	22	1,523
100,000	7	1,107	2	291	3	485	1	205	2	353	16	2,441
250,000	2	774	1	231	1	453	1	253	1	452	6	2,165
500,000	1	655	0	219	1	492	0	293	1	692	3	2,351
1,000,000	1	1,315	0	500	1	1,514	0	1,276	1	6,327	3	10,932
All <sup>5</sup>	83	6,098	16	1,636	23	3,506	10	2,246	16	8,164	148	21,650
<b>Disposals in 2012-13 <sup>4</sup></b>												
Range of taxable income (lower limit) £												
	0		34,370		50,000		100,000		150,000		All	
10,000	41	640	8	129	11	171	4	66	6	98	71	1,104
25,000	21	751	3	123	5	168	2	71	3	104	34	1,217
50,000	12	832	2	163	3	239	1	100	2	168	21	1,501
100,000	7	1,079	2	283	3	453	1	206	2	371	16	2,391
250,000	2	762	1	235	1	439	1	245	1	479	6	2,160
500,000	1	672	0	245	1	503	0	297	1	712	3	2,429
1,000,000	1	1,285	0	742	1	1,491	0	1,493	2	6,316	4	11,326
All <sup>5</sup>	85	6,021	17	1,920	25	3,464	11	2,477	18	8,247	155	22,129
<b>Disposals in 2013-14 <sup>6</sup></b>												
Range of taxable income (lower limit) £												
	0		32,010		50,000		100,000		150,000		All	
10,000	47	763	11	181	12	196	4	70	7	116	83	1,325
25,000	26	921	5	179	6	204	2	79	4	145	43	1,528
50,000	15	1,034	4	251	4	304	2	128	3	232	28	1,949
100,000	9	1,338	3	417	4	594	2	269	3	524	20	3,162
250,000	3	940	1	348	2	552	1	300	2	691	8	2,834
500,000	1	804	0	324	1	571	0	322	1	946	4	2,968
1,000,000	1	1,851	0	863	1	2,136	1	1,652	2	9,727	5	16,232
All <sup>5</sup>	102	7,651	25	2,562	29	4,560	12	2,823	23	12,401	191	29,998

<sup>1</sup> Figures are for individual taxpayers only ( i.e. do not include trusts).

<sup>2</sup> Unless otherwise stated, gains are after deduction of taper relief and losses plus attributed gains but before deduction of annual exempt amount.

<sup>3</sup> 0 indicates fewer than 500 taxpayers

<sup>4</sup> Provisional, how ever any changes in figures are likely to be very small.

<sup>5</sup> Totals may not sum due to rounding.

<sup>6</sup> Provisional.



**Table 14.4 Numbers of individual claimants of entrepreneur's relief and amounts of gain by year of disposal and size of gain on which entrepreneur's relief claimed, 2009-10 to 2013-14**

This table shows the number of claimants of entrepreneur's relief by individuals (i.e. trusts are excluded from this table), the gains relieved by entrepreneur's relief (which means since June 2010 gains paid at the 10% rate), other gains for these claimants and total gains before and after allowable losses and reliefs for disposals made between 2008-09 and 2013-14. The amount of capital gains tax liability for these individuals is also shown and the information is given by ranges of gain on which entrepreneur's relief was claimed. In all cases (apart from the column headed "Amount of gains after losses and reliefs") the gain on which entrepreneur's relief is claimed has been shown before the reduction in the gain due to entrepreneur's relief.

In 2010-11 qualifying gains for Entrepreneur's relief were claimed as a relief up to 23 June 2010. The tax rate was 18% but the relief reduced the effective tax rate to 10%. For the remaining part of 2010-11 and since, tax has been simply charged at the lower rate of 10%. In these tables gains enjoying either the relief or the reduced tax rate have all been treated as claimants of the relief.

Around 31,000 taxpayers claimed entrepreneur's relief when it was introduced in 2008-09 and this increased to 34,000 in 2009-10. Taxpayers claiming this relief also can have other gains which are ineligible. Their entrepreneur's relief gains accounted for 62% of their gains in 2009-10. However in 2010-11 the percentage gains which attracted entrepreneur's relief increased to 77% and continued to rise to 89% in 2011-12 and 92% in 2012-13. The percentage of gains paid at the lower ER rate fell back slightly to 89% in 2013-14. These increases corresponded to the raising of the lifetime limit for claims from £2m (as it was between March 2010 and June 2010) to £5m in June 2010 and to £10m from April 2011.

In 2010-11 there was an increase in the number of claimants (up 17%) and in the total amount of tax paid by taxpayers claiming some entrepreneur's relief (up 46%). The amount of gains before losses on which entrepreneur's relief was claimed went up by £4.2bn (78%) to around £9.7bn whilst the amount of other gains where entrepreneur's relief wasn't claimed went down by £380m (11%).

There was very little change in the number of claimants in 2011-12 but an increase of 5% in the tax they paid. Gains before losses on which entrepreneur's relief was claimed went up by a further £2.6bn (27%) and other gains fell again by £1.4bn (47%).

In 2012-13, for the first time, the number of claimants and the total tax they paid fell (down 8% and 7% respectively). Gains on which entrepreneur's relief was claimed remained at a very similar level to the previous year (up 1%), but other gains fell by 32%.

There have been substantial increases in 2013-14 in numbers of taxpayers paying at the ER rate, amount of gains on which the rate was paid and the tax derived from these gains. The number of claimants has risen to 42,600, a year on year increase of around 16%. Gains paid at the lower 10% rate were up by 27% and ER claimants' gains not eligible for the 10% rate were up by 76%. The total CGT liability of people claiming entrepreneur's relief increased by 38% to £2.0bn.

Some other changes in the amounts of gains in these years were of particular note :

- The amount of disposals where entrepreneur's relief was claimed and gains were above £1million rose sharply in 2010-11 from £803m the previous year to £4.8bn, which is a five-fold increase. This was followed by another substantial increase of around 50% in 2011-12 to £7.3bn. The increase in both years in the above £1million range accounted for virtually the whole of the increase of gains on which entrepreneur's relief was claimed. In 2012-13 the amount of disposals where gains were above £1million increased by 7% but a fall in disposals in the smaller gain bands meant that total gains on which entrepreneur's relief was claimed were lower than in the previous year. Of the £3.2bn increase in gains paid at the 10% rate in 2013-14, £2.3bn of the increase was accounted for by gains over £1m.
- For those claiming entrepreneur's relief over £1m in 2010-11 there was also an increase in the amount of other gains which went up by £893m (50%). However where the amount of entrepreneur's relief claimed was between £500,000 and £1m other gains almost disappeared, dropping from £1.2bn to £40m. This is probably due to the increase of the lifetime entrepreneur's relief limit increasing in June 2010 from £2m to £5m. In 2011-12 other gains for those claiming entrepreneur's relief over £1m went down by 47%, and fell again in 2012-13 by 39%, to £860m; however, it increased in 2013-14 by 77% to £1.5bn. The lifetime limit increased to £10m in 2011-12.
- The total CGT liability arising from where taxpayers had gains over £1m enjoying entrepreneur's relief increased from £377m to £1.0bn in 2010-11 (up 169%). However the increase in 2011-12 to £1.1bn was relatively modest at 7%, and it fell in 2012-13 by 8% to £1bn. In 2013-14 there was a relatively large increase in the tax liability for gains over £1m - increasing by 42% to £1.4bn. Of the £546m extra tax paid at the ER rate compared to 2012-13, £422m of the increase came from gains of over £1m.

An increase in gains qualifying for ER was to be expected as a result of increased claim limits in both 2010-11 and 2011-12. In the March 2010 budget the lifetime limit on which entrepreneur's relief could be claimed went up from £1m to £2m and increased further in the June budget of that year to £5m. The overall amounts of disposals are also likely to have been influenced by the mid-year policy change. A further increase in the lifetime limit to £10m in 2011-12 also led to increased gains qualifying for ER as discussed above. The increase particularly affected the high end of the distribution. The increase in the lifetime limit for ER gains in 2010-11 and 2011-12 meant more gains qualified, and therefore there were fewer other gains not qualifying, where taxpayers had qualifying gains.

Amounts for gains after losses and reliefs in 2009-10 are lower and less comparable to the amounts in 2011-12, 2012-13, 2013-14 and the majority of 2010-11, because ER was given as a relief rather than a reduced tax rate in 2009-10, so is deducted from the total in this year, but not in other years .

## 14.4 Capital gains tax

Numbers of individual claimants of entrepreneur's relief and amounts of gain by year of disposal and size of gain on which entrepreneur's relief claimed, 2009-10 - 2013-14 <sup>1,2</sup>

Numbers thousands; Amounts Millions

Range of gain on which entrepreneur's relief claimed <sup>2</sup> (lower limit)	Gross gains before entrepreneur's relief applied			Total <sup>3,4</sup> gross gains	Amount of gains <sup>3,4</sup> after losses and reliefs	Amounts of tax
	Number of claimants <sup>1</sup>	On which entrepreneur's relief claimed <sup>2,3,4</sup>	On which entrepreneur's relief not claimed <sup>3,4</sup>			
<b>Disposals in 2009-10 <sup>5,7</sup></b>						
1	2	10	24	34	21	3
10,000	7	123	30	153	71	5
25,000	7	252	35	287	158	16
50,000	6	463	50	513	285	40
100,000	6	989	81	1,070	592	95
250,000	3	1,060	102	1,162	666	114
500,000	2	1,731	1,239	2,971	2,141	364
1,000,000	1	803	1,773	2,576	2,170	377
<b>Total <sup>8</sup></b>	<b>34</b>	<b>5,432</b>	<b>3,335</b>	<b>8,767</b>	<b>6,103</b>	<b>1,015</b>
<b>Disposals in 2010-11 <sup>5,7</sup></b>						
1	2	10	22	33	19	3
10,000	8	143	27	169	132	8
25,000	8	272	22	294	249	21
50,000	7	508	57	565	472	48
100,000	7	1,122	80	1,202	1,013	113
250,000	4	1,246	41	1,287	1,061	123
500,000	2	1,574	40	1,614	1,320	156
1,000,000	2	4,782	2,666	7,448	6,741	1,012
<b>Total <sup>8</sup></b>	<b>40</b>	<b>9,657</b>	<b>2,956</b>	<b>12,613</b>	<b>11,007</b>	<b>1,483</b>
<b>Disposals in 2011-12 <sup>5</sup></b>						
1	2	9	13	21	13	2
10,000	8	133	17	150	137	8
25,000	8	278	18	295	281	22
50,000	7	508	29	538	517	48
100,000	7	1,175	36	1,211	1,163	112
250,000	4	1,295	34	1,329	1,286	127
500,000	2	1,523	24	1,547	1,507	150
1,000,000	3	7,314	1,401	8,715	8,560	1,084
<b>Total <sup>8</sup></b>	<b>40</b>	<b>12,235</b>	<b>1,571</b>	<b>13,806</b>	<b>13,464</b>	<b>1,553</b>
<b>Disposals in 2012-13 <sup>5</sup></b>						
1	2	8	17	25	15	2
10,000	8	137	18	155	141	8
25,000	6	223	14	237	227	18
50,000	6	440	28	467	444	40
100,000	7	1,029	52	1,081	1,034	103
250,000	3	1,206	29	1,235	1,194	118
500,000	2	1,505	49	1,554	1,516	156
1,000,000	3	7,799	860	8,659	8,540	995
<b>Total <sup>8</sup></b>	<b>37</b>	<b>12,347</b>	<b>1,066</b>	<b>13,413</b>	<b>13,110</b>	<b>1,440</b>
<b>Disposals in 2013-14 <sup>6</sup></b>						
1	2	9	24	33	24	5
10,000	9	147	85	232	216	26
25,000	7	251	24	275	263	21
50,000	7	503	34	538	517	47
100,000	8	1,314	66	1,380	1,332	132
250,000	4	1,475	71	1,547	1,505	155
500,000	3	1,795	54	1,849	1,804	184
1,000,000	3	10,205	1,523	11,728	11,587	1,417
<b>Total <sup>8</sup></b>	<b>43</b>	<b>15,700</b>	<b>1,880</b>	<b>17,581</b>	<b>17,248</b>	<b>1,986</b>

<sup>1</sup> Claimants can be individuals or trusts but figures in this table are for individuals only.

<sup>2</sup> Gain on which entrepreneurs' relief is claimed is shown gross of the part of the gain which is relieved.

<sup>3</sup> As it is not possible to allocate losses between gains on which entrepreneurs' relief is claimed and other gains, information on gains split into these categories is given before losses, but a column is given for gains after losses which are claimed on all gains.

<sup>4</sup> Gains are before deduction of annual exempt amount.

<sup>5</sup> Provisional, however any changes in figures are likely to be very small.

<sup>6</sup> Provisional.

<sup>7</sup> The lifetime limit for gains qualifying for Entrepreneurs' relief increased from £1m for 2008-09 and 2009-10 up to March 2010 to £2m to apply from March to 23 June 2010. It increased further to £5m for gains on disposals made after 23 June 2010 and to £10m for those from April 2011 onwards.

<sup>8</sup> Totals may not sum due to rounding.

## **Table 14.5 Gains and tax accruals for individuals by UK region and country, 2009-10 to 2013-14**

This table was introduced in 2013 following some interest shown in regional CGT information in the 2011 user consultation and from within Government.

In all years in the table the South East had the highest number of CGT payers, followed by London, with the North East and Northern Ireland having the fewest. Taken together London and the South East made up 41% of individuals who were liable to CGT in the UK in 2013-14. In the earlier years of the table the equivalent percentage was 38% or 39%. London and the South East realised 44% of the gains and had 47% of the tax liability in 2013-14.

The largest increase in the regional share of CGT taxpayers between 2009-10 and 2013-14 was in London (up by 2.3 percentage points) and the biggest decrease was in Scotland (down by 0.8 percentage points). The largest increase in the regional share of gains was in the East of England (up by 1.8 percentage points) and the biggest decrease was London (down by 4.3 percentage points). For CGT liability the largest increase was for the North West (up 1.7 percentage points) and the largest fall was for London (down 1.9 percentage points). The relatively small changes between 2009-10 and 2013-14 point to a fairly stable regional distribution. There were only small changes in the ranking of regions across the period according to how much CGT liability they accounted for between 2009-10 and 2013-14, with Yorkshire and the Humber (moving from 8<sup>th</sup> to 9<sup>th</sup>) , and the East Midlands moving from 9<sup>th</sup> to 8<sup>th</sup>

## 14.5 Capital Gains Tax

Estimated number of individuals, gains and tax accruals by UK country, 2009-10 to 2013-14

Numbers: thousands; Amounts: £ millions

UK Country	Tax year														
	2009-10 <sup>3</sup>			2010-11 <sup>3</sup>			2011-12 <sup>3</sup>			2012-13 <sup>3</sup>			2013-14 <sup>4</sup>		
	Number	Amount of gains <sup>1</sup>	Amount of tax	Number	Amount of gains <sup>1</sup>	Amount of tax	Number	Amount of gains <sup>1</sup>	Amount of tax	Number	Amount of gains <sup>1</sup>	Amount of tax	Number	Amount of gains <sup>1</sup>	Amount of tax
<b>England</b>	133	16,720	2,749	150	20,995	3,480	130	19,214	3,058	138	19,926	3,179	171	27,222	4,544
North East	3	309	50	3	453	68	3	389	51	3	325	46	4	601	86
North West	11	1,220	200	12	1,603	239	11	1,742	255	11	1,756	247	13	2,441	412
Yorkshire and the Humber	9	895	144	10	1,645	258	9	981	130	9	1,355	195	11	1,530	223
East Midlands	8	812	131	10	1,090	162	9	1,206	162	9	1,235	175	11	1,671	237
West Midlands	10	866	138	10	1,178	188	9	1,262	189	10	1,127	153	11	1,637	249
East of England	16	1,780	292	18	2,241	373	16	2,156	355	17	2,347	366	21	3,431	556
London	26	4,908	820	30	5,315	945	26	4,685	847	28	4,874	872	37	6,667	1,257
South East	31	4,215	700	36	5,360	917	31	4,743	757	33	4,824	812	41	6,421	1,074
South West	18	1,716	275	20	2,112	330	17	2,051	311	18	2,082	314	22	2,823	449
<b>Wales</b>	5	336	52	6	489	70	5	471	66	5	492	65	6	608	87
<b>Scotland</b>	11	1,167	164	12	1,428	221	11	1,644	244	10	1,441	210	12	1,805	267
<b>Northern Ireland</b>	3	274	44	3	296	39	3	321	45	2	271	32	3	363	49
All <sup>2</sup>	152	18,497	3,008	170	23,208	3,811	148	21,650	3,413	155	22,129	3,486	191	29,998	4,948

<sup>1</sup> Net chargeable gains before deduction of the annual exempt amount

<sup>2</sup> Totals may not sum due to rounding.

<sup>3</sup> Provisional, how ever any changes in figures are likely to be very small.

<sup>4</sup> Provisional.

## **Table 14.6 Estimated number of taxpayer disposals, value of disposals, and chargeable gains by type of asset disposed of in 2012-13**

**Table 14.6** shows the number of disposals, disposal value, chargeable gains, and chargeable gains as a percentage of disposal value, by type of asset. The estimates shown are derived from a sample survey of capital gains computations. The values are scaled to the capital gains tax liable population using the ratio of population gains to grossed survey gains, so that the number of taxpayers, amounts of tax, and chargeable gains are consistent with estimates produced in the tables derived directly from Self Assessment data.

CGT taxpayers disposed of assets worth £52bn in 2012-13 and realised chargeable gains of £23bn. Financial assets made up 85% of all disposals, accounted for 69% of the total disposal amount, and 69% of total chargeable gains. The financial assets with the largest chargeable gain as a proportion of disposal value in 2012-13 were UK and foreign shares not listed on the London stock exchange which accounted for 24% of total disposals, 36% of the total disposal amount, and 52% of total chargeable gains. Chargeable gains were 66% of the 2012-13 disposal value for UK and foreign unlisted shares. For financial assets as a whole gains as a percentage of disposal value fell from 49% in 2011-12 to 45% in 2012-13.

Gains on unlisted shares as a percentage of total disposal proceeds were around 50% in 2008-09 and increased slightly to around 54% for 2009-10 and 55% for 2010-11. However the percentage increased more markedly, to 66%, in 2011-12 and 2012-13. Gains in listed shares fell from 30% of total disposal proceeds to 25% of disposal proceeds between 2011-12 and 2012-13.

The largest component of non-financial assets is residential property, which accounted for 8% of all disposals, 18% of all disposal value, and 14% of all gains. The aggregate gain for non-financial assets was 45% of non-financial disposal proceeds in 2013-14, slightly higher than the 44% the previous year, 38% in 2010-11, 36% in 2009-10 and 41% in 2008-09, but lower than the 52% in 2007-08.

Total chargeable gains rose by 1% in 2012-13 compared to 2011-12, but the number and value of disposals increased by more (number of disposals increased by 13% and total value of disposals by 7%), indicating a lower average chargeable gain than in 2011-12. The largest increases in chargeable gains were in commercial and industrial land and buildings, which had 18% higher chargeable gains, arising from a 39% increase in the value of disposals. Unlisted shares had lower chargeable gains compared to 2011-12 (down 3%).

Although the gain as a percentage of disposal value for agricultural land and buildings in 2012-13 only changed slightly from 2011-12 (reducing from 60% to 57%) the number of disposals, the value of disposals and the chargeable gains were all down – by 33%, 11% and 16% respectively. This follows quite large falls in 2011-12 for all of these quantities. The biggest year on year increase was in the number of disposals for listed shares, which increased by 47%.

## 14.6 Capital gains tax

Estimated number of taxpayer disposals, value of disposals, and chargeable gains by type of asset disposed of in 2012-13

Numbers: thousands; Amounts: £ millions

Type of asset (at time of disposal)	Number of disposals		Value of disposals		Chargeable gains <sup>1</sup>		Chargeable gains as % of disposal value
	Number	% of total	Amount	% of total	Amount	% of total	
<b>Financial assets:</b>							
UK & foreign ordinary shares listed on the London exchange	364	54	11,269	22	2,837	12	25
UK & foreign shares not listed on the London exchange	161	24	18,622	36	12,289	52	66
Other financial assets <sup>2</sup>	55	8	5,978	11	1,068	5	18
All financial assets <sup>3</sup>	579	85	35,869	69	16,193	69	45
<b>Non-financial assets:</b>							
UK & Foreign agricultural land and buildings	4	1	861	2	491	2	57
UK & Foreign commercial/industrial land and buildings	8	1	1,483	3	611	3	41
UK & Foreign residential/land and buildings	55	8	9,479	18	3,368	14	36
Other non-financial assets <sup>4</sup>	34	5	4,599	9	2,833	12	62
All non-financial assets <sup>3</sup>	99	15	16,422	31	7,303	31	45
All assets <sup>3</sup>	679	100	52,291	100	23,496	100	45

<sup>1</sup> Net of in-year losses.

<sup>2</sup> Other financial assets includes assets such as UK & Foreign listed and unlisted securities, unit trusts, loan notes, etc.

<sup>3</sup> Totals may not sum due to rounding.

<sup>4</sup> Other non-financial assets includes intangible assets such as goodwill and tangible assets such as fine works of art, etc.

## **Table 14.7 Analysis of taxpayer disposals by length of period of ownership and type of asset disposed of in 2012-13**

**Table 14.7** shows the length of ownership of the asset by type of asset disposed of in 2012-13. The estimates in this table are derived from the same survey as used for **Table 14.6**. Pre-1998 assets for which no acquisition date is available are split over pre-1998 years assuming the same length of holding period distribution as those with known holding periods. All percentages quoted relating to holding periods are for where the holding period is known.

**Table 14.7** shows that a much higher proportion of financial assets with a known holding period, 29%, were disposed of within a year than non-financial assets, where only 9% of those with known holding periods were disposed of within that period. For financial assets with known holding periods around 10% had been held for 10 or more years on disposal. However for non-financial assets a much higher proportion, 53%, had been held for 10 or more years on disposal. For financial assets with known holding periods around 32% of the gain realised in 2012-13 was on assets held for more than 10 years whereas for non-financial assets this was much higher at 61%.

In line with expectations, chargeable gains usually increase as a percentage of disposal values as the holding period increases, as the gain increases proportionately more than the disposal value. The largest gains realised as a percentage of disposal value on financial assets disposed of in 2012-13, were those held for 10 to 11 years (i.e. acquired in 2001-02 or 2002-03) and those held for 25 or more years (acquired before 1987-88) with aggregate gains representing 88% of total disposal proceeds. For non-financial assets, those held for more than 25 years before disposal in 2012-13 had the largest gains to disposal proceeds ratio, 64%.

Only 1% of financial assets with a known holding period were held for more than 25 years whereas 13% of non-financial assets were held that long. Only 7% of chargeable gains from financial assets of known holding period were from those held for more than 25 years whereas 18% of chargeable gains from non-financial assets were from assets held for that length of time.



# 14.7

## Capital gains tax

Taxpayer disposals by length of period of ownership and type of asset disposed of in 2012-13

Numbers: thousands; Amounts: £ millions

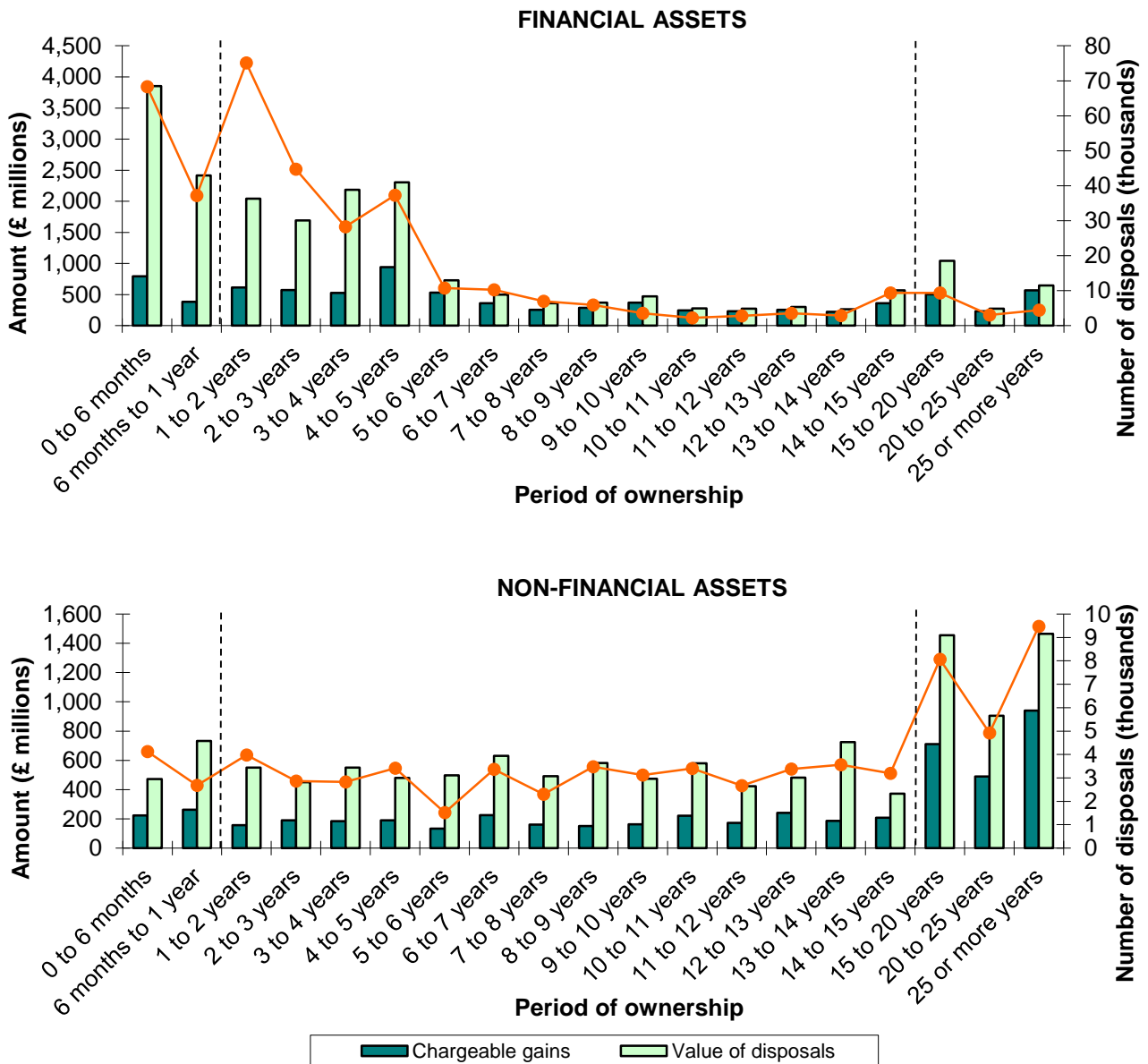
Length of period of ownership	Number of disposals		Value of disposals		Chargeable gains <sup>1</sup>		Chargeable gains as % of disposal value
	Number	% of asset sub-total	Amount	% of asset sub-total	Amount	% of asset sub-total	
<b>Financial assets:</b>							
0 to 6 months	68	12	3,852	11	793	5	20.6
6 months to 1 year	37	6	2,414	7	385	2	15.9
1 to 2 years	75	13	2,044	6	614	4	30.0
2 to 3 years	45	8	1,691	5	575	4	34.0
3 to 4 years	28	5	2,184	6	526	3	24.1
4 to 5 years	37	6	2,304	6	942	6	40.9
5 to 6 years	11	2	731	2	530	3	72.4
6 to 7 years	10	2	499	1	360	2	72.2
7 to 8 years	7	1	361	1	257	2	71.3
8 to 9 years	6	1	369	1	286	2	77.6
9 to 10 years	4	1	469	1	369	2	78.5
10 to 11 years	2	0	280	1	247	2	88.2
11 to 12 years	3	1	272	1	231	1	85.0
12 to 13 years	4	1	303	1	255	2	84.1
13 to 14 years	3	1	266	1	221	1	83.0
14 to 15 years	9	2	569	2	361	2	63.6
15 to 20 years	9	2	1,043	3	504	3	48.3
20 to 25 years	3	1	273	1	230	1	84.0
25 or more years	4	1	646	2	567	4	87.9
Unknown	213	37	15,298	43	7,940	49	51.9
All financial assets <sup>2</sup>	579	100	35,869	100	16,193	100	45.1
<b>Non-financial assets:</b>							
0 to 6 months	4	4	473	3	222	3	47.0
6 months to 1 year	3	3	732	5	263	4	35.9
1 to 2 years	4	4	550	3	156	2	28.4
2 to 3 years	3	3	450	3	190	3	42.2
3 to 4 years	3	3	550	3	183	3	33.4
4 to 5 years	3	3	480	3	190	3	39.6
5 to 6 years	2	2	498	3	133	2	26.7
6 to 7 years	3	3	630	4	226	3	35.9
7 to 8 years	2	2	492	3	160	2	32.6
8 to 9 years	3	4	582	4	150	2	25.7
9 to 10 years	3	3	474	3	162	2	34.2
10 to 11 years	3	3	580	4	222	3	38.2
11 to 12 years	3	3	422	3	172	2	40.8
12 to 13 years	3	3	482	3	241	3	50.0
13 to 14 years	4	4	725	4	185	3	25.5
14 to 15 years	3	3	372	2	208	3	55.9
15 to 20 years	8	8	1,455	9	710	10	48.8
20 to 25 years	5	5	906	6	489	7	54.0
25 or more years	9	10	1,466	9	939	13	64.1
Unknown	27	27	4,104	25	2,101	29	51.2
All non-financial assets <sup>2</sup>	99	100	16,422	100	7,303	100	44.5
All assets <sup>2</sup>	679		52,291		23,496		44.9

<sup>1</sup> Net of in-year losses.

<sup>2</sup> Totals may not sum due to rounding.

**Figure 2** shows the number of disposals, disposal value, and chargeable gains for financial and non-financial assets in 2012-13 by length of ownership of the asset (for known periods of ownership).

**Figure 2. Number of disposals, disposal value, and chargeable gains in 2012-13 by length of ownership (excluding unknown lengths)**



Note: Holding periods <1 year are shown in two 6-month intervals; holding periods >15 years are shown in two 5-year intervals; the final category captures all holding periods >25 years.

## **Table 14.8 Estimated number of taxpayer disposals, value of disposals, and chargeable gains by asset types disposed of in 2012-13**

**Table 14.8** is a further breakdown of the information in **Table 14.7**, giving information on disposals and gains by holding periods for more finely broken down categories of asset. For non-financial assets, we have used wider holding period intervals because of smaller sample sizes. Estimates are derived from the same sample survey as used for **Tables 14.6** and **14.7**. All percentages quoted which relate to holding periods are for where the holding period is known.

The proportion of listed shares sold in the first year is 36%, but the proportion of unlisted shares sold in the same period is lower, at 27%. The most common period for holding listed and unlisted shares is for less than 6 months.

For commercial and agricultural land and buildings, 64% of disposals with known holding periods have been held for over 10 years which is higher than the equivalent 56% for residential land and buildings. Both these percentages are higher than the proportion of listed shares (8%) and unlisted shares (14%) held for more than 10 years.

Of disposals in 2012-13, 19% of commercial, agricultural and industrial land and buildings, and 12% of residential land and buildings had been held for over 25 years, while only 1% of listed shares and 1% of unlisted shares had been held for that long.

For residential land and buildings, 70% of assets were sold within 15 years, while the equivalent figure was 56% for agricultural, commercial and industrial land and buildings. Slightly less than half of the remaining 30% of residential land and buildings and 44% of the remaining 44% of agricultural, commercial and industrial land and buildings had been held for more than 25 years.

Unlisted shares disposed of in 2012-13 with holding periods of 5 to 6 years or more had total gains as a percentage of disposal proceeds greater than 65%. For listed shares this was only the case for shares held for 11 to 12 years, 13 to 14 years, and 20 or more years. For non-financial assets the largest gains to disposal proceeds ratios were on residential buildings held for more than 25 years (63%).

## 14.8 Capital gains tax

Estimated number of taxpayer disposals, value of disposals, and chargeable gains by asset types disposed of in 2012-13

Numbers: thousands; Amounts: £ millions

Type of asset (at time of disposal)	Number of disposals		Value of disposals		Chargeable gains <sup>1</sup>		Chargeable gains as % of disposal value	
	Number	% of total	Amount	% of total	Amount	% of total		
<b>Financial assets:</b>								
UK & foreign ordinary shares								
listed on the London exchange	0 to 6 months	46	8	1,634	5	205	1	13
	6 months to 1 year	24	4	996	3	110	1	11
	1 to 2 years	59	10	916	3	164	1	18
	2 to 3 years	29	5	660	2	88	1	13
	3 to 4 years	17	3	432	1	101	1	23
	4 to 5 years	21	4	844	2	212	1	25
	5 to 6 years	6	1	203	1	90	1	44
	6 to 7 years	7	1	136	0	50	0	37
	7 to 8 years	5	1	88	0	34	0	39
	8 to 9 years	4	1	55	0	26	0	47
	9 to 10 years	2	0	57	0	34	0	59
	10 to 11 years	1	0	29	0	14	0	50
	11 to 12 years	1	0	23	0	16	0	69
	12 to 13 years	1	0	24	0	10	0	42
	13 to 14 years	1	0	55	0	44	0	80
	14 to 15 years	5	1	130	0	72	0	56
	15 to 20 years	5	1	236	1	102	1	43
	20 to 25 years	2	0	57	0	44	0	77
	25 or more years	3	1	84	0	70	0	84
	Unknown	124	22	4,609	13	1,350	8	29
	<b>Total</b>	<b>364</b>	<b>63</b>	<b>11,269</b>	<b>31</b>	<b>2,837</b>	<b>18</b>	<b>25</b>
UK & foreign shares								
not listed on the London exchange	0 to 6 months	17	3	1,319	4	546	3	41
	6 months to 1 year	10	2	1,108	3	216	1	20
	1 to 2 years	11	2	808	2	338	2	42
	2 to 3 years	12	2	775	2	428	3	55
	3 to 4 years	9	2	629	2	376	2	60
	4 to 5 years	10	2	1,201	3	655	4	55
	5 to 6 years	3	1	490	1	413	3	84
	6 to 7 years	3	1	338	1	289	2	86
	7 to 8 years	1	0	249	1	206	1	83
	8 to 9 years	2	0	302	1	255	2	84
	9 to 10 years	1	0	297	1	274	2	93
	10 to 11 years	1	0	238	1	220	1	93
	11 to 12 years	1	0	222	1	194	1	87
	12 to 13 years	1	0	252	1	223	1	88
	13 to 14 years	1	0	190	1	177	1	93
	14 to 15 years	2	0	336	1	263	2	78
	15 to 20 years	4	1	542	2	363	2	67
	20 to 25 years	1	0	192	1	169	1	88
	25 or more years	1	0	529	2	468	3	89
	Unknown	71	12	8,604	24	6,215	38	72
	<b>Total</b>	<b>161</b>	<b>28</b>	<b>18,622</b>	<b>52</b>	<b>12,289</b>	<b>76</b>	<b>66</b>
Other financial assets <sup>2</sup>		55	10	5,978	17	1,068	7	18
All financial assets <sup>3</sup>		579	100	35,869	100	16,193	100	45
<b>Non-financial assets:</b>								
UK & Foreign agricultural/commercial/ industrial land and buildings								
	Up to 5 years	1	1	201	1	89	1	44
	5 to 10 years	2	2	391	2	111	2	28
	10 to 15 years	2	2	350	2	133	2	38
	15 to 20 years	1	1	240	2	120	2	50
	20 to 25 years	1	1	214	1	112	2	52
	25 or more years	2	2	411	3	223	3	54
	Unknown	3	3	538	3	315	4	59
	<b>Total</b>	<b>11</b>	<b>11</b>	<b>2,345</b>	<b>14</b>	<b>1,102</b>	<b>15</b>	<b>47</b>
UK & Foreign residential/land and buildings								
	Up to 5 years	10	10	1,860	11	562	8	30
	5 to 10 years	9	10	1,892	12	467	6	25
	10 to 15 years	12	12	1,756	11	577	8	33
	15 to 20 years	5	5	896	6	387	5	43
	20 to 25 years	3	3	504	3	219	3	43
	25 or more years	5	5	644	4	406	6	63
	Unknown	11	11	1,926	12	751	10	39
	<b>Total</b>	<b>55</b>	<b>55</b>	<b>9,479</b>	<b>58</b>	<b>3,368</b>	<b>46</b>	<b>36</b>
Other non-financial assets <sup>4</sup>		34	34	4,599	28	2,833	39	62
All non-financial assets <sup>3</sup>		99	100	16,422	100	7,303	100	45
All assets <sup>3</sup>		679		52,291		23,496		45

<sup>1</sup> Net of in-year losses.

<sup>2</sup> Other financial assets includes assets such as UK & Foreign listed and unlisted securities, unit trusts, loan notes, etc.

<sup>3</sup> Totals may not sum due to rounding.

<sup>4</sup> Other non-financial assets includes intangible assets such as goodwill and tangible assets such as fine works of art, etc.

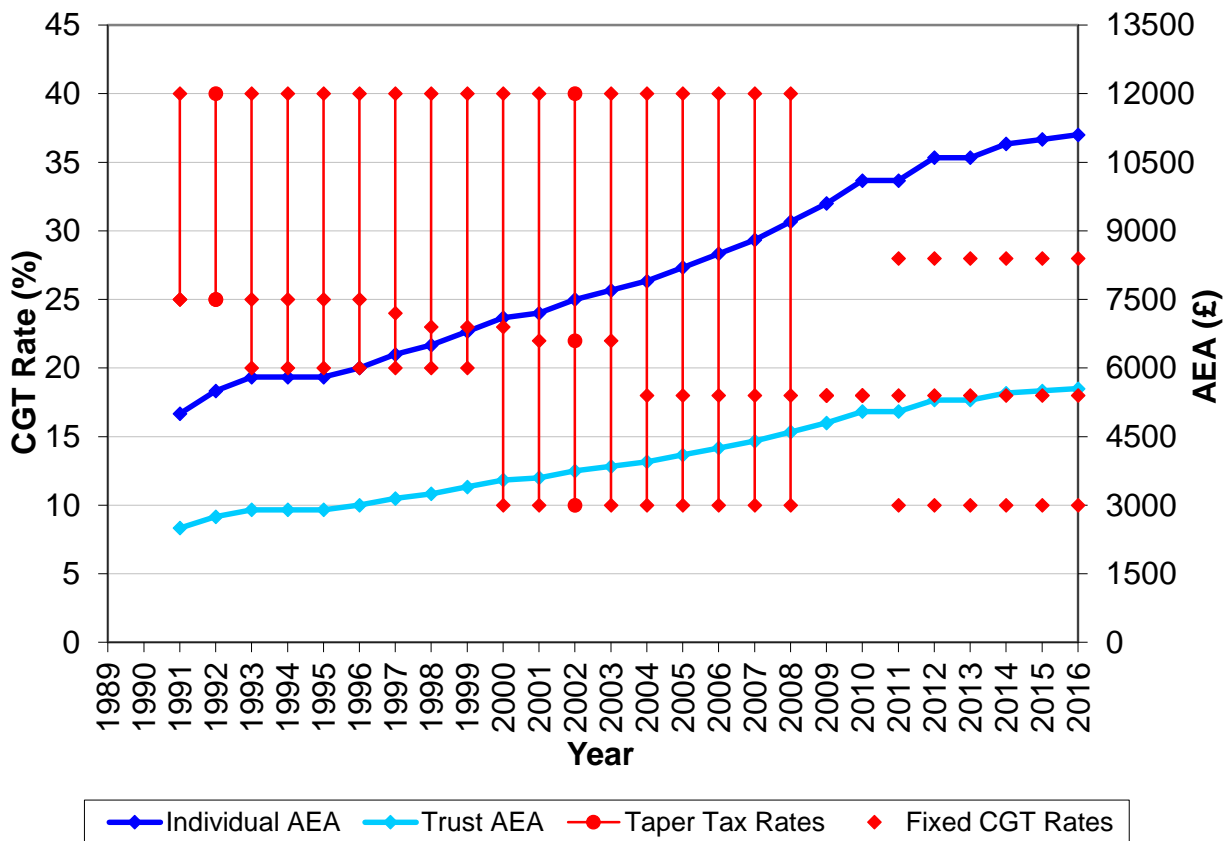
## SECTION 3: Rates of Capital Gains Tax

**Table A.7: Rates of Capital Gains Tax**

The rates of capital gains tax since 1977-78 are given in **Table A.7**, which also shows the amounts of the annual exemption available for each year from 1980-81 and rates of taper relief from 1998-99 to 2007-08.

**Figure 4.**

### CGT Tax Rates and Annual Exempt Amounts



**Figure 4** graphically represents the tax rates and annual exempt amount for the period 1990-1991 (represented by 1991) to 2015-16 (represented by 2016). The red diamonds represent the rates at which tax are to be paid; if the red diamonds are linked by a red line this represents a variable tax and tax can occur at any point on the line depending on whether the asset is a business asset or not and how long the asset has been owned before disposal. The dark blue line represents the annual exempt amount for Individuals and the light blue line for Trusts.

## TA.7 Rates of Capital Gains Tax

### 1977-78 to 1979-80

	Total net gains for year of assessment	Tax chargeable
Individuals:	Not exceeding £1,000	Nil
	£1,001 - £5,000	Excess gains over £1,000 at 15%
	£5,001 - £9,499	£600 plus excess gains over £5,000 at 50%
	£9,500 or more	All gains at 30%
Trusts:	Not exceeding £500	Nil
	£501 - £1,249	Excess gains over £500 at 50%
	£1,250 or more	All gains at 30%

### 1980-81 to 2015-16

	Annual exempt amount		Rate of tax <sup>1</sup> chargeable on excess of gains over annual exempt amount:		
	Individuals	Trusts	Individuals	Discretionary and accumulation trusts	Interest in possession trusts and personal representatives
1980-81	3,000	1,500	30%	30%	30%
1981-82	3,000	1,500	30%	30%	30%
1982-83	5,000	2,500	30%	30%	30%
1983-84	5,300	2,650	30%	30%	30%
1984-85	5,600	2,800	30%	30%	30%
1985-86	5,900	2,950	30%	30%	30%
1986-87	6,300	3,150	30%	30%	30%
1987-88	6,600	3,300	30%	30%	30%
1988-89	5,000	2,500	Income tax rates	Trust rate	Basic rate of income tax
1989-90	5,000	2,500	Income tax rates	Trust rate	Basic rate of income tax
1990-91	5,000	2,500	Income tax rates	Trust rate	Basic rate of income tax
1991-92	5,500	2,750	Income tax rates	Trust rate	Basic rate of income tax
1992-93	5,800	2,900	Income tax rates	Trust rate	Basic rate of income tax
1993-94	5,800	2,900	Income tax rates	Trust rate	Basic rate of income tax
1994-95	5,800	2,900	Income tax rates	Trust rate	Basic rate of income tax
1995-96	6,000	3,000	Income tax rates	Trust rate	Basic rate of income tax
1996-97	6,300	3,150	Income tax rates	Trust rate	Basic rate of income tax
1997-98	6,500	3,250	Income tax rates	Trust rate	Basic rate of income tax
1998-99 <sup>2</sup>	6,800	3,400	Income tax rates	Trust rate	Trust rate
1999-00 <sup>2</sup>	7,100	3,550	Income tax rates <sup>3</sup>	Trust rate	Trust rate
2000-01 <sup>2</sup>	7,200	3,600	Income tax rates <sup>4</sup>	Trust rate	Trust rate
2001-02 <sup>2</sup>	7,500	3,750	Income tax rates <sup>4</sup>	Trust rate	Trust rate
2002-03 <sup>2</sup>	7,700	3,850	Income tax rates <sup>4</sup>	Trust rate	Trust rate
2003-04 <sup>2</sup>	7,900	3,950	Income tax rates <sup>4</sup>	Trust rate	Trust rate
2004-05 <sup>2</sup>	8,200	4,100	Income tax rates <sup>4</sup>	Trust rate	Trust rate
2005-06 <sup>2</sup>	8,500	4,250	Income tax rates <sup>4</sup>	Trust rate	Trust rate
2006-07 <sup>2</sup>	8,800	4,400	Income tax rates <sup>4</sup>	Trust rate	Trust rate
2007-08 <sup>2</sup>	9,200	4,600	Income tax rates <sup>4</sup>	Trust rate	Trust rate
2008-09 <sup>5</sup>	9,600	4,800	18%	18%	18%
2009-10 <sup>5</sup>	10,100	5,050	18%	18%	18%
2010-11 <sup>6</sup>	10,100	5,050	18%	18%	18%
2010-11 <sup>7</sup>	10,100	5,050	10% to 28%	28%	28%
2011-12 <sup>8</sup>	10,600	5,300	10% to 28%	28%	28%
2012-13	10,600	5,300	10% to 28%	28%	28%
2013-14	10,900	5,400	10% to 28%	28%	28%
2014-15	11,000	5,500	10% to 28%	28%	28%
2015-16	11,100	5,550	10% to 28%	28%	28%

<sup>1</sup> Income and trust tax rates are contained in the link [Table TA.2](#)

<sup>2</sup> For 1998-99 to 2007-08, taper relief may reduce the proportion of gains chargeable as described in the following table.

<sup>3</sup> Treated as savings income, except that Capital Gains in the starting rate band are taxed at 20%.

<sup>4</sup> Treated as savings income.

<sup>5</sup> Entrepreneurs' Relief introduced on 6 April 2008 entitles individuals in business and some trustees to claim relief on the first £1 million of lifetime gains made on the disposal of any of the following:

- all or part of a business
- the assets of a business after it has ceased
- shares in a company

Entrepreneurs' Relief reduces the amount of gains liable to Capital Gains Tax by four-ninths on all qualifying gains up to £1 million.

<sup>6</sup> From 6 April 2010 to 22 June 2010 entrepreneurs' relief was extended to the first £2 million pounds of gains on qualifying business asset disposals.

<sup>7</sup> From 23 June 2010 further reforms were made to the CGT regime. Entrepreneurs' relief was extended granting individuals and trusts making qualifying business asset disposals to a 10% rate on the first £5m of gains over a lifetime. Individuals making disposals not eligible for entrepreneurs' relief face a rate of 18% on gains where their gains and income after the annual exempt amount remains below the income tax basic rate threshold. All gains exceeding this threshold are taxed at 28%. Trusts with gains not eligible for entrepreneurs' relief are taxed at

<sup>8</sup> From 6 April 2011 entrepreneurs' relief was extended to the first £10m of gains over a lifetime on qualifying disposals.

**Taper relief (for gains on disposals after April 05 1998)**

Year of disposal	Type of asset	Proportion of gain chargeable (%)										
		Number of complete years after April 05 1998 for which asset held										
		0	1	2	3	4	5	6	7	8	9	more
1998-99	Business <sup>1,2,3</sup>	100	92.5	85	77.5	77.5	70	62.5	55	47.5	40	32.5
	Non-business <sup>1</sup>	100	100	100	95	95	90	85	80	75	70	65
1999-2000	Business <sup>1,2,3</sup>	100	92.5	85	77.5	77.5	70	62.5	55	47.5	40	32.5
	Non-business <sup>1</sup>	100	100	100	95	95	90	85	80	75	70	65
2000-01	Business <sup>2,4</sup>	100	87.5	75	50	25	25	25	25	25	25	25
	Non-business <sup>1</sup>	100	100	100	95	95	90	85	80	75	70	65
2001-02	Business <sup>2,4</sup>	100	87.5	75	50	25	25	25	25	25	25	25
	Non-business <sup>1</sup>	100	100	100	95	95	90	85	80	75	70	65
2002-03	Business <sup>2,4</sup>	100	50	25	25	25	25	25	25	25	25	25
	Non-business <sup>1</sup>	100	100	100	95	95	90	85	80	75	70	65
2003-04	Business <sup>2,4</sup>	100	50	25	25	25	25	25	25	25	25	25
	Non-business <sup>1</sup>	100	100	100	95	95	90	85	80	75	70	65
2004-05	Business <sup>2,4</sup>	100	50	25	25	25	25	25	25	25	25	25
	Non-business <sup>1</sup>	100	100	100	95	95	90	85	80	75	70	65
2005-06	Business <sup>2,4</sup>	100	50	25	25	25	25	25	25	25	25	25
	Non-business <sup>1</sup>	100	100	100	95	95	90	85	80	75	70	65
2006-07	Business <sup>2,4</sup>	100	50	25	25	25	25	25	25	25	25	25
	Non-business <sup>1</sup>	100	100	100	95	95	90	85	80	75	70	65
2007-08	Business <sup>2,4</sup>	100	50	25	25	25	25	25	25	25	25	25
	Non-business <sup>1</sup>	100	100	100	95	95	90	85	80	75	70	65

<sup>1</sup> Assets acquired before March 17 1998 qualify for an addition of 1 year to the period for which they are treated as held after April 05 1998.

<sup>2</sup> Business assets are defined broadly as:

an asset used for the purposes of a trade carried on by the individual or by a qualifying company<sup>3,4</sup> of that individual; or.

an asset held for the purposes of a qualifying office or employment (for periods before April 06 2000 the employment had to be substantially full time); or shares in a qualifying company<sup>3,4</sup> held by the individual.

Since April 06 2004 business assets include those assets used for the purposes of a trade irrespective of whether the individual is involved in carrying on the trade concerned.

<sup>3</sup> For the period April 06 1998 to April 05 2000, a company was a qualifying company for an individual if it was a trading company or the holding company of a trading group and the individual could exercise either

(a) at least 25% of the voting rights in that company or

(b) at least 5% of the voting rights in that company, provided the individual was a full-time working officer or employee of that company.

There are similar provisions in respect of trusts.

<sup>4</sup> For periods from April 06 2000, a company is a qualifying company for an individual if it is either

(1) a trading company or the holding company of a trading group and is

(a) unlisted or

(b) the individual is an employee or officer of the company, or

(c) the company is listed and the individual has not less than 5% of the voting rights.

or

(2) a non-trading company where the individual is an employee or officer and does not have a material interest of more than 10% in the company.

There are similar provisions in respect of trusts.

## Annex A: Data sources, methodology and reliability of estimates

The data sources and methods used to compile statistics in this release are set out below.

### Data sources for Tables 14.1 to 14.5

Self Assessment (SA) data is used to compile **Tables 14.1-14.5**. This comes from individuals and trusts who have filed the relevant CGT pages of the return.

Before 1987-88 capital gains tax assessments were recorded manually. A sample of these was selected as the basis for the statistics published. Since 1987-88, assessments have been recorded on computer. The statistics for years to 1995-96 were derived from this computer database of assessments and amendments. These computer records were supplemented by a small number of manual assessments. For 1996-97 onwards, the statistics are derived from computer records of all SA returns with a CGT liability. File by internet began in 1999-00 and grew rapidly to around 93% by 2013-14.

Assessments are made for "years of disposal", i.e. years ending on 5th April in which capital gains arise. It may take several years for all assessments for a year to be made and even longer for all amendments to these original assessments, hence estimates using data in the most recent five tax years are marked as provisional although it will be marked that the earliest three years are only expected to change by very small amounts. Typically, the majority of SA data for a tax year is received at the time of the SA deadline which occurs at the end of January the following year, so it is not possible to publish data on the latest tax year (i.e. we are unable this year to publish estimates for 2014-15 as the data is not ready).

Because of the time lags and because of known deficiencies in the flow of assessment data (particularly late amendments) to HMRC's Knowledge Analysis and Intelligence (KAI) Directorate, the figures in table 14.1 for years to 1995-96 have been scaled to be consistent with departmental accounting figures. No further revisions will be made to the assessment based figures. Estimates for 1996-97 to 2003-04 in **Tables 14.1 to 14.3** were scaled to the estimated Capital Gains Tax component of total SA liabilities. From 2004-05 onwards estimates are no longer scaled in this manner and reflect actual amounts reported.

The tables were produced using recent SA data. Our SA data extracts continue to be updated on a monthly basis.



## Data sources for Tables 14.6 to 14.8

Whilst the SA data mentioned above enables us to get overall taxpayer information, e.g. the total amount of gains and tax liabilities, the data is unable to tell us more detailed information relating to the disposal of assets.

Each year, KAI carry out a detailed stratified sample survey which uses information provided by those filing CGT pages but not captured in our SA extract. This should include all the relevant information on every transaction that has had an impact on a taxpayer's final capital gains tax liability, such as the acquisition and disposal date of each asset, the gain or loss arising from the disposal of each asset, the type of asset disposed of, and other details. This information can be submitted in a variety of ways and in the taxpayer's preferred format. The survey allows us to give the detailed estimates by length of ownership and asset type presented in **Tables 14.6 to 14.8**.

The sample can be crudely divided into two parts: the first relating to individuals filing their returns online; the second covering all trusts and personal representatives.

As the data relate to cases with a capital gains tax liability, the tables exclude cases where the aggregate gains, net of any reliefs, are below the annual exempt amount. They also exclude some capital gains tax liabilities fully offset by other tax reliefs.

## Methods for producing statistics

The tables have been provided from a single information source - tax self-assessment (SA) forms completed either by individuals or trusts. For **Tables 14.1 to 14.5** the information comes straight from the forms.

As described above statistics published in **Tables 14.6 to 14.8** are derived from a survey which uses information provided by those filing CGT pages but not captured in our SA extract. The stratified sample for 2012-13, used for producing statistics this year for these tables consists of around 10,000 sample records from 62 strata. There are 31 strata for individuals and 31 strata for trusts. The strata are at 2 levels; the first level divides both individuals and trusts into whether they have gains and losses, solely gains, solely losses or neither. This produces 4 strata for individuals and 4 strata for trusts. Each of these strata, apart from the 'neither' strata, are then divided into 10 further strata based on the value of gains or losses. The boundaries for the strata and the sampling fractions to apply are obtained using Neyman allocation, which is a method used to allocate sample to strata based on the strata variances (the larger the variance within a strata the larger the sample within that strata) and costs (if these vary between strata). Information from the computations of the selected sample is then keyed and validated. Sample estimates relating to individuals are grossed up to reflect all individuals liable to CGT in that year. These estimates are then scaled to match equivalent totals derived from latest available administrative data. This ensures that total figures in the survey tables match those derived from self-assessment data and the figures in individual cells have been grossed up appropriately.

## Quality of published information

**Tables 14.1 to 14.5** are based on Self-Assessment data provided by taxpayers. This administrative data is of a high standard as from it are derived individuals' personal income tax and capital gains tax liabilities which make large contributions to exchequer revenue. There are penalties for knowingly providing false information and HMRC compliance staff

are tasked with detecting such false entries. Also these tables use all information that is available.

**Tables 14.6 to 14.8** are produced from sampled data. As a sample is used rather than the whole population the reliability of the estimates are not equal to the reliability of the estimates given in **Tables 14.1 to 14.5**. However the relatively large size of the sample (around 10,000 individuals or trusts), and the use of stratification and Neyman allocation to reduce sampling error, give rise to reliable estimates. The bands and categories presented in the tables are wide and large enough to ensure that there are sufficient sample cases behind each estimate.

### **Nature and extent of annual revisions**

Revisions only affect **Tables 14.1 to 14.5**, based on Self-Assessment data, as the survey tables for a particular year are published only once and no further data is added or amended. Revisions affect the Self-Assessment tables only because tax assessments can change, and late assessments for a particular year can be added. In order to illustrate the size of revisions this year, figures in the summary Self-Assessment based table, **Table 14.1**, have been compared with the figures in last year's table for years common to both tables.

### **Revisions to Table 14.1**

The latest data published this year is for 2013-14 and for years before 2008-09 there were no revisions. The maximum revision to figures for the year previous to the latest (2012-13) was to the amount of gains of liable trusts, where there was a revision of 2.3%. For the year two years previous to the latest year (2011-12) the maximum revision was to the amount of tax paid by trusts, where there was a revision of 0.5%. For three to five years previous the maximum revision was 0.5% per annum, also for the total tax liability of trusts, and this was for 2010-11. There were no revisions six years previous or for before then. To reflect 'normal' year changes, caused only by the addition of new cases to the file, a 'provisional' footnote has been placed against 2013-14 figures. In addition a footnote indicating that there might be changes but they are likely to be very small has been placed against figures for years between 2009-10 and 2012-13. No footnote has been placed against years prior to 2008-09.

### **Revisions to other tables**

The usual pattern of higher revisions for the previous year and year before, and much lower revisions for the 3 years previous and further back is expected in the other three Self-Assessment tables which present data for a number of years. Consequently similar footnoting appears against these tables.

## **Annex B: Regime changes to capital gains tax up to 2004**

The regime for Capital Gains tax has changed over the years. CGT was first introduced in 1965. Since then, there have been changes which have since shaped the way to the existing CGT system. These include the following:

### **1982**

Indexation allowance was introduced. This allowance is the difference between the cost incurred and the same costs indexed by the Retail Prices Index.

### **1988**

The cost of assets held at 31 March 1982 was 'rebased' to their market value at that date to ensure that gains accruing before then were not charged to tax. In that year, the rate of capital gains tax was aligned with the rates for income tax. Capital gains were thereafter, in broad terms and after deducting any allowances and reliefs available, taxed as if they were the top slice of an individual's income.

### **1993**

Since November 1993, it has not been possible to use indexation allowance to create or increase a capital loss.

### **1998**

Indexation was withdrawn for periods of ownership after April 1998. Instead chargeable gains were tapered according to the length of time that the asset has been held after 5 April 1998. The taper was more generous for business assets than for non-business assets; the definition of the former and both taper rates are shown in **Table A.7**. Assets acquired before 17 March 1998 qualified for an addition of 1 "bonus" year to the period for which they are treated as held after 5 April 1998. The taper was applied to net gains that were chargeable after the deduction of any allowable losses. Losses were set against gains in the order that produces the lowest tax charge. Also, the rate applicable to trusts was extended to include interest in possession trusts and personal representatives, previously chargeable at the standard rate.

### **1999**

Capital gains tax rates were partially aligned with the income tax rates on savings income, giving rates of 20% and 40% for individuals;

### **2000**

Business asset taper rates were modified so that the taper matured after 4 years instead of 10 and the definition of business assets was widened. Business assets acquired before 17 March 1998 no longer qualified for the bonus year in calculating the appropriate taper relief fraction to apply to gains. Also capital gains tax rates were fully aligned with the income tax rates on savings income to include the starting rate of 10%.

### **2001**

The definition of business assets was further extended, with effect from 6 April 2000, to employees disposing of shares in non-trading companies where they work so long as they do not have a material interest of more than 10% in the company.

### **2002-2003**

The business asset taper rates were modified so that the taper matured after 2 years rather than 4. In both 2002 and 2003 there were a number of simplification measures - further details of the changes covered in the linked document that follows:

<http://webarchive.nationalarchives.gov.uk/20091222074811/http://www.hmrc.gov.uk/budget2003/revbn32.pdf>

#### **2004**

The definition of business assets was again extended to cover all assets used wholly or partly for the purposes of an individual's trade irrespective of whether the owner is involved in carrying on the trade concerned. Also, the rate applicable to trusts was increased to 40%.

## **Annex C: Glossary of Terms**

Annex C aims to explain acronyms, abbreviations and terms associated with Capital Gains Tax. This list contains more entries than used in this publication but will serve as a useful tool for understanding the CGT regime.

### **Accrual**

See tax accrual.

### **Acquisition Costs**

Costs considered as part of allowable expenditure. Usually the money spent on buying an asset.

### **AEA – Annual Exempt Amount**

Amount of gain on which is not subject to capital gains tax. This amount is available annually and cannot be carried forward if the full extent has not been used in a previous year.

### **Agent**

An agent is a person that deals with a taxpayers' affairs such as a solicitor, accountant or other tax specialist.

### **Allowable Expenditure**

Allowable expenditure refers to expenses relating to the asset that can be deducted from the disposal value to reduce its CGT liability. For an expense to be considered as allowable expenditure it must pass both the capital test and the Income Tax priority test. Upon satisfying these tests additional costs are allowable, including: acquisition costs; incidental costs of acquisition and disposal; and enhancement expenditure.

### **Allowable Loss**

The loss or losses resulting from the disposal of one or more assets, which can be used to reduce the gain or gains made on one or more other assets.

### **Asset**

Something valuable that an individual or entity owns, benefits from, or has use of, in generating income. Previously this could either be business, non-business or mixed assets. Since 2008-09 there is no distinction.

### **Business Asset**

A business asset differs depending on the chargeable person disposing of the asset. The definition given below is a technical CGT definition for the purposes of business asset taper relief and should not be confused with the common meaning of the phrase which could mean any asset connected with a business.

For an individual a business asset is defined as: an asset (excluding shares and securities) which is used for the purpose of a trade, profession or vocation carried on by the individual (either alone or in partnership) or by an individual's qualifying company; an asset (excluding shares and securities) held for the purposes of a qualifying office or employment with a trading employer; or shares or securities held in an individual's qualifying company.

For a personal representative a business asset must satisfy one of the following: an asset (excluding shares and securities) which is used for the purpose of a trade, profession or vocation carried on by the personal representative or by the personal representative's qualifying company; or shares or securities held by the personal representative's qualifying company.

For trusts, business assets can be defined as: an asset (excluding shares and securities) which is used for the purpose of a trade, profession or vocation carried on by the trust, an eligible beneficiary (either alone or in partnership) or by the trusts' or the eligible beneficiary's qualifying company; from the 6th April an asset (other than shares or securities) used for the purposes of trade carried on by a partnership in which the trusts of a settlement are partners. This applies where the trusts of a settlement or any one or more of the persons who are trusts of a settlement, acting in their capacity as trusts, are members of a partnership; before 6th April 2000, an asset (other than shares or securities) held for the purpose of an office or employment with a trading employer to which an eligible beneficiary is required to devote substantially the whole of his or her time; from 6th April 2000, an asset (other than shares or securities) held for the purpose of an office or employment by an eligible beneficiary with a person carrying on a trade; or shares or securities held as a trust in a qualifying company.

### **Bonus Year**

Under legislation, individuals disposing of assets after 6th April 1998, that were acquired prior to 17th March 1998, were entitled to a 'bonus year' of taper relief.

### **Chargeable Asset**

For CGT purposes is defined as any form of property, unless exempted from CGT by legislation.

### **Chargeable Gain**

A chargeable gain arises when a chargeable person disposes of a chargeable asset on a chargeable occasion.

### **Chargeable Occasion**

For CGT purposes, a chargeable occasion is the occasion of a disposal or a part-disposal. Transferral of assets to a spouse and assets transferred at death are not deemed chargeable occasions.

### **Chargeable Person**

For the purposes of CGT a chargeable person is defined as an individual, representative or trust that is subject to CGT. This includes partners, but not partnerships.

### **Chattel**

Property that is both tangible and moveable. At time of writing, a chattel is exempt from CGT if its disposal proceeds are £6,000 or less.

### **Disposal**

In most cases a person is said to make a disposal when they cease to be the beneficial owner of an asset. The most common of these is the sale of an asset or part of an asset. Gifting or exchanging assets are also deemed as disposals. Other less obvious disposals include: the loss or destruction of a chargeable asset;

abandonment or loss of rights; insurance proceeds received as a result of theft or loss of an insured asset; and receipt of a capital sum for an interest in or right in or over an asset.

### **Disposal Date or Time**

For CGT purposes this is normally defined as the date at which ownership of the asset is transferred. Exceptions include: when an asset is disposed of by way of a contract (verbal contract included) the disposal date is the point at which the contract was drawn-up; and when a contract is subject to one or more conditions, in which case the disposal date is the date on which the final condition is fulfilled. Disposal dates that are not subject to CGT include: transferral of an asset to a spouse; and when upon death someone leaves their assets to one or more people.

### **Disposal Proceeds**

Usually the consideration received upon the disposal of the asset. Where the disposal is not a 'bargain at arms length' the market value of the asset at the date of disposal is used. Examples of when the market value is used include situations where the asset is: given away; deliberately sold at an under-valued or over-valued price; disposed of wholly or partly for a consideration that cannot be valued; or disposed of to someone connected with the vendor.

### **Enhancement Expenditure**

Costs considered part of allowable expenditure. Enhancement expenditure is defined as any capital expenditure wholly and exclusively incurred on enhancing an asset's value and which is still reflected in the state or nature of the asset at the time of its disposal.

### **Entrepreneur**

An entrepreneur is a person that creates a new business or establishes a wholly new activity in a business.

### **Entrepreneur's Relief**

A tax relief for CGT introduced in 2008-09. See **Table 14.4, Section 1** and annex **Table A.7** for more information.

### **Incidental Cost of Acquisition and Disposal**

Cost considered as part of allowable expenditure. Covers a very broad range of expenses incurred as part of the purchase or sale of an asset. Two checks are applied to determine whether an expense is covered, these are: is the expense incurred wholly and exclusively for the acquisition or disposal of the asset; and is the expense one of the items listed in Section 38(2) TCGA 1992. Examples include: fees paid to auctioneers, accountants, surveyors, etc; transfer or conveyor costs (stamp duty); costs of advertising; reasonable first-time valuation costs.

### **Indexation Allowance**

Indexation allowance is defined as an allowance that offsets nominal gains attributable to inflationary increases in the value of an asset. The allowance is applied to gains made on disposal of assets, *after* deductions for allowable expenditure. For disposals up to and including the 5<sup>th</sup> April 1998 indexation allowance is applied. The deduction is calculated by multiplying relevant allowable expenditure by factors derived from the Retail Prices Index.

**Indexed Gain**

The gain made upon disposal of an asset after deductions (in order: allowable expenditure; indexation allowance to 5<sup>th</sup> April 1998) have been taken into account.

**Intangible Asset**

An asset that cannot be touched such as goodwill, copyright, brand name, etc.

**Investment Bond**

A bond sold by life insurance companies that allows investors to invest in a variety of funds managed by professional investment managers. Normally used to generate long-term capital growth but is also used to generate income.

**Liable tax payer**

In the context of CGT this represents an individual or trust who owes an amount of CGT before the AEA (see definition of AEA).

**Main Residence**

For the purposes of CGT an individual's main residence is defined as the home at which they normally live. A main residence is not necessarily a house. If a boat or mobile home is connected to mains services, located on a permanent site and in the specific case of a boat has its engines removed it can qualify as a main residence.

**Mixed Asset**

A mixed asset is defined as one that can be classified as both a business and non-business asset during a period of ownership. Note that these asset types cannot overlap.

**Net Chargeable Gain**

The net chargeable gain is calculated as the net indexed gain resulting from disposal of an asset minus both the allowable losses from the current year and any losses brought forward from previous years. Losses must be set against gains prior to tapering and in an order that minimises the taxpayer's liability. Additionally, any losses brought forward from previous years can only be used to reduce the gain to the Annual Exempt Amount with the remaining losses being carried forward.

**Non Business Asset**

These are assets other than business assets.

**Personal Representative**

A personal representative is the person or body of persons charged with collecting, administering and distributing the assets of a deceased person. Excluding assets that, exempt under operational law, pass to some other person on the deceased's death.

**Private Residence**

A private residence is defined as an individual's dwelling house or part of a dwelling house, which is, or at any time in their period of ownership, their only or main residence. Gains made on a private residence together with its associated land (certain restrictions apply see Private Residence Grounds) that an individual has for their own occupation or enjoyment are not subject to CGT.



**Private Residence Grounds**

Grounds associated with a private residence can be up to half a hectare in size. Larger grounds require approval from HMRC Commissioners.

**Private Residence Relief**

See PRR.

**PRR – Private Residence Relief**

A relief that ensures the individual is exempt from paying CGT on their private residence

**Share**

A share is a definite portion, of a company's share capital. A company's share capital consists of the funds subscribed to the company by its members, the shareholders. Shares represent the shareholder's interest in or ownership of the company.

**Tangible Asset**

A tangible asset is one that can be touched such as land, jewellery, antiques and so on.

**Taper Relief**

A type of relief applied to an asset's net chargeable gain assuming that it was disposed of after 6<sup>th</sup> April 1998 and that the net chargeable gain exceeds the Annual Exempt Amount. The relief was introduced following the 1998 Finance Act in an attempt to simplify the CGT system, encourage long-term investment and stimulate business by rewarding investment in trading activities. Business assets incur a more favourable relief than non-business assets. Amounts of gains shown in tables 14.1, 14.2 and 14.3 for years up to and including 2007-08 are after deduction of taper relief. The proportion of a capital gain which is chargeable after the application of taper relief is given in table A7 for the years from 1998-99 to 2007-08.

**Tax accrual**

The amount of tax liability in a tax year. This differs from tax receipts as under the Self Assessment system there is a delay between liabilities arising on asset disposals and the tax due being paid to HMRC.

**Trusts**

A person (aged 18 or over in England and Wales) who has an obligation to deal with property in a particular way. This will be under the terms of the trust for the benefit of particular persons, of whom he or she may be one.

**Wasting Asset**

Section 44 of the Taxation of Chargeable Gains Act 1992 defines wasting assets as assets with a predictable life not exceeding 50 years. The upper limit is a prediction determined at time of asset acquisition. Plant and machinery, animals and lease of land, assuming it is for less than 50 years are examples of wasting assets.