
STATUTORY INSTRUMENTS

2020 No. 333

CAPITAL GAINS TAX

The Capital Gains Tax (Annual Exempt Amount) Order 2020

Made - - - - *23rd March 2020*

The Treasury make the following Order in discharge of the duty imposed by section 1L(2) of the Taxation of Chargeable Gains Act 1992⁽¹⁾:

Citation

1. This Order may be cited as the Capital Gains Tax (Annual Exempt Amount) Order 2020.

Exempt amount of capital gains for 2020-21

2. The amount which is, by virtue of section 1K(2) and 1L(1) of the Taxation of Chargeable Gains Act 1992, the annual exempt amount for the tax year 2020-21 is £12,300.

23rd March 2020

David Rutley
Iain Stewart
Two of the Lords Commissioners of Her
Majesty's Treasury

(1) 1992 c.12. Sections 1K and 1L were substituted by the Finance Act 2019 (c.1), section 13 and Schedule 1, paragraphs 1 and 2.

Status: This is the original version (as it was originally made).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

EXPLANATORY NOTE

(This note is not part of the Order)

Section 1K of the Taxation of Chargeable Gains Act 1992 (c.12) (“TCGA”) provides that if an individual is (or would be but for section 1K) chargeable to capital gains tax for a tax year on chargeable gains, the annual exempt amount (“AEA”) for the year is to be deducted from those gains (but no further than necessary to eliminate those chargeable gains). Subsection (2) of that section specifies the AEA as £12,000. Section 1L of the TCGA provides that if the consumer prices index (“CPI”) for the September before the start of a tax year is higher than it was for the previous September the AEA is increased accordingly by the same percentage as the rise in that index, rounded up to the nearest £100.

Subsection (2) of section 1L requires the Treasury to make an Order before the start of any tax year for which the AEA is increased by section 1L, setting out the AEA for that year. The AEA for 2019-20 was £12,000. This Order shows that the AEA for the tax year 2020-21 is £12,300.

The 12 month percentage increase in the CPI for the year ending September 2019 was 1.7%. In accordance with subsection (1) of section 1L the AEA has been increased by 1.7% and rounded up to the nearest £100.

The CPI percentage change is a publication of the Office of National Statistics and can be found at: <http://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/d7g7/mm23>

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

A Tax Information and Impact Note covering this instrument will be published on the website at: <https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins>