



Finance Act 2023

2023 CHAPTER 1

Capital gains tax

8 Annual exempt amount

- (1) Chapter 1 of Part 1 of the Taxation of Chargeable Gains Act 1992 (capital gains tax) is amended as follows.
- (2) In section 1K (annual exempt amount), in [subsection \(2\)](#) (which specifies the amount of the annual exempt amount for a tax year), for “£12,300” substitute “£6,000”.
- (3) The amendment made by [subsection \(2\)](#) has effect for the tax year 2023-24.
- (4) In section 1K(2) (as amended by [subsection \(2\)](#)), for “£6,000” substitute “£3,000”.
- (5) The amendment made by [subsection \(4\)](#) has effect for the tax year 2024-25 and subsequent tax years.
- (6) Omit section 1L (increasing annual exempt amount to reflect increases in CPI).
- (7) In section 8C of the Taxes Management Act 1970 (returns so far as relating to capital gains tax), in subsection (1)(b), for “four times that annual exempt amount” substitute “£50,000”.
- (8) In consequence of the amendments made by [this section](#)—
 - (a) in section 287(4) of the Taxation of Chargeable Gains Act 1992 (orders and regulations to which no Parliamentary procedure applies), omit “1L(2) or”, and
 - (b) in section 40 of the Finance Act 2021 (which specifies the annual exempt amount in section 1L of the Taxation of Chargeable Gains Act 1992 as £12,300 for tax years up to 2025-26), for the words from “the tax years” to “2025-26” substitute “the tax years 2021-22 and 2022-23”.
- (9) The amendments made by [subsections \(6\) to \(8\)](#) have effect for the tax year 2023-24 and subsequent tax years.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 2023, Cross Heading:
Capital gains tax.