STATUTORY INSTRUMENTS

1983 No. 402

TAXES

The Capital Gains Tax (Annual Exempt Amount) Order 1983

Made - - - 15*th March* 1983

The Treasury, in pursuance of section 5(1C) of the Capital Gains Tax Act 1979(a), hereby make the following Order:—

1. This Order may be cited as the Capital Gains Tax (Annual Exempt Amount) Order 1983.

2. The amount specified which by virtue of section 5 of the Capital Gains Tax Act 1979 is the exempt amount for the year 1983–84 is £5,300.

J. A. Cope,
Alastair Goodlad,
Two of the Lords Commissioners of Her Majesty's Treasury.

15th March 1983.

(a) 1979 c.14; section 5(1C) was inserted by section 80(2) of the Finance Act 1982 (c. 39).

EXPLANATORY NOTE

(This Note is not part of the Order.)

Section 5 of the Capital Gains Tax Act 1979 provides that the Treasury shall by Order made by statutory instrument before the year 1983–84 and each subsequent year specify the amount which is the exempt amount for that year.

The exempt amount is the amount of taxable gains for a year of assessment on which, by virtue of subsection (1) of section 5 of the Capital Gains Tax Act 1979, an individual is not chargeable to capital gains tax. The exempt amount (or, in certain circumstances, a proportion of it) also applies by virtue of sub-paragraph (1) of paragraph 5 of Schedule 1 of that Act to the trustees of a settlement for a mentally disabled person or a person in receipt of attendance allowance. An amount equal to one half of the exempt amount (or, in certain circumstances, a lesser proportion of it) applies, by virtue of paragraph 6 of that Schedule, to the trustees of other settlements.

The exempt amount for a year also affects the obligation of an individual to make a return to the Inspector of chargeable gains in a year. An individual is required, by section 12 of the Taxes Management Act 1970 (c. 9), to make a return of the details of disposals in a year. Where the chargeable gains do not exceed the exempt amount, however, *and* where the proceeds of all the disposals made by the individual in that year do not exceed an amount equal to twice the exempt amount for the year, a statement to that effect will, by virtue of subsection (5) of section 5 of the Capital Gains Tax Act 1979, be sufficient compliance, unless the Inspector otherwise requires.

The retail prices index for December 1981 is 308.8 and for December 1982 325.5 (based on January 1974 as 100) (Table 6.4 of the Employment Gazette, January 1983). This Order specifies the amount which takes account of that increase. It will have effect for the year 1983–84 unless Parliament otherwise determines.

SI 1983/402
ISBN 0-11-036402-3

