STATUTORY INSTRUMENTS

1984 No. 343

TAXES

The Capital Gains Tax (Annual Exempt Amount) Order 1984

Made - - - - 13*th March* 1984

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 1984.

2. The amount specified which by virtue of section 5 of the Capital Gains Tax Act 1979 is, unless Parliament otherwise determines, the exempt amount for the year 1984–85 is £5,600.

T. Garel-Jones,
D. J. F. Hunt,
Two of the Lords Commissioners
of Her Majesty's Treasury.

13th March 1984.

(**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.*)

This Order specifies the amount which, under section 5 of the Capital Gains Tax Act 1979, is the exempt amount for the year 1984–85 unless Parliament otherwise determines. The exempt amount for 1983–84 was £5,300 (S.I. 1983/402). The change accords with an increase in the retail prices index which for December 1982 was 325.5 and for December 1983 was 342.8 (based on January 1974 as 100), and the new exempt amount has been rounded up to the nearest multiple of £100 in accordance with section 5(1B). (Table 6.4 of the Department of Employment Gazette, January 1984).

The exempt amount has several applications for capital gains tax. Under section 5(1) an individual's gains for a year of assessment are chargeable to tax only to the extent that they exceed the exempt amount. Under paragraphs 4–6 of Schedule 1 the same applies, subject to detailed rules, to personal representatives, trustees of settlements for mentally disabled persons or persons in receipt of attendance allowance, and, as to one half of the exempt amount, trustees of other settlements.

Under section 5(5) an individual may, if appropriate, and unless an Inspector otherwise requires, satisfy his obligation to make a return of capital gains by stating that his gains do not exceed the exempt amount for the year and that the proceeds of his disposals in the year do not exceed an amount equal to twice the exempt amount. Under Paragraphs 4–6 of Schedule 1 the same applies to personal representatives and, subject to detailed rules, to trustees.

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