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Capital Gains Tax: what you pay it on, rates and allowances

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Capital Gains Tax rates

You may pay a different rate of tax on gains on businesses than you do on other assets.

> You do not usually pay tax when you sell your home (/tax-sell-home).

You'll pay Income Tax (/income-tax) and National Insurance contributions on carried interest you receive from 6 April 2026 instead.

If you pay higher rate Income Tax

If you're a higher or additional rate taxpayer (/income-tax-rates), you'll pay 24% on your gains from 6 April 2026.

You can see the rates and allowance for previous years (https://www.gov.uk/guidance/capital-gains-tax-rates-and-allowances).

If you pay basic rate Income Tax

If you're a basic rate taxpayer (/income-tax-rates), the rate you pay on gains you receive from 6 April 2026 depends on the size of your gain and your taxable income.

You can see the rates and allowance for previous years (/guidance/capital-gains-tax-rates-and-allowances).

To work out your rate:

1. Work out how much taxable income (/income-tax) you have - this is your income minus your Personal Allowance (/income-tax-rates/personal-allowances) and any other Income Tax reliefs (/income-tax-reliefs) you're entitled to.

2. Work out your total taxable gains (/capital-gains-tax/work-out-need-to-pay).

3. Deduct your tax-free allowance (/capital-gains-tax/allowances) from your total taxable gains.

4. Add this amount to your taxable income.

5. If this amount is within the basic Income Tax band (/income-tax-rates), you'll pay 18% on your gains made from 6 April 2026.

6. For any amount above the basic Income Tax band, you'll pay 24% on gains made from 6 April 2026.

Example 1

> You make a gain on or after 6 April 2026. Your taxable income (your income minus your Personal Allowance and any Income Tax reliefs) is £20,000 and your taxable gains are £12,600.
>
> First, deduct the Capital Gains tax-free allowance from your taxable gain. For the 2026 to 2027 tax year the allowance is £3,000, which leaves £9,600 to pay tax on.
>
> Add this to your taxable income. Because the combined amount of £29,600 is less than £37,700 (the basic rate band for the 2026 to 2027 tax year), you pay Capital Gains Tax at 18%.
>
> This means you'll pay £1,728 in Capital Gains Tax.

Example 2

> You make a gain on or after 6 April 2026. Your taxable income (your income minus your Personal Allowance and any Income Tax reliefs) is £20,000 and your taxable gains are £52,600.
>
> First, deduct the Capital Gains tax-free allowance from your taxable gain. For the 2026 to 2027 tax year the allowance is £3,000, which leaves £49,600 to pay tax on.
>
> Add this to your taxable income. Because the combined amount of £69,600 is more than £37,700 (the basic rate band for the 2026 to 2027 tax year), you will pay Capital Gains Tax at 18% on £17,700 and then 24% on £31,900.
>
> This means you will pay £10,842.

If you're a trustee, personal representative or business

Trustees (/trusts-taxes/trusts-and-capital-gains-tax) or personal representatives of someone who's died pay tax at 24% from 6 April 2026.

You can see the rates and allowance for previous years (/guidance/capital-gains-tax-rates-and-allowances).

If you qualify for Business Asset Disposal Relief

From 6 April 2026 you'll pay 18% if you're a sole trader, partnership or trustee and your gains qualify for Business Asset Disposal Relief (/business-asset-disposal-relief).

You can see the rates and allowance for previous years (/guidance/capital-gains-tax-rates-and-allowances).

If you have gains charged at more than one rate

You can use your tax-free allowance against the gains that would be charged at the highest rates (for example, where you would pay 24% and 18% tax).

You can see the rates and allowance for previous years (/guidance/capital-gains-tax-rates-and-allowances).

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