Taxation of Chargeable Gains Act 1992

Changes to legislation:

Taxation of Chargeable Gains Act 1992, Section 1I is up to date with all changes known to be in force on or before 10 September 2026. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.

View outstanding changes

[F1 1I Income taxed at higher rates or gains exceeding unused basic rate band

F2 (A1) . . . .

(1) If any of an individual's income for a tax year is chargeable to income tax at a higher income tax rate, gains accruing to the individual in the tax year are [F3 charged at the rate of 24%.]

(2) If—

(a) none of an individual's income for a tax year is chargeable to income tax at a higher income tax rate, but

(b)

the individual is chargeable to capital gains tax for the tax year on an amount that exceeds the unused part of the individual's basic rate band,

the excess ("the higher rate excess") [F4 is charged at the rate of 24%.]

(3) The remainder of this section sets out special rules which apply depending on the nature of the gains within subsection (2)(b).

(4) If—

(a) the gains consist of or include gains ("entrepreneur or investor gains") chargeable at the rate of [F5 18%] under section 169N(3) or 169VC(2), and

(b) the total amount of the entrepreneur or investor gains exceeds the unused part of the individual's basic rate band,

that unused part is used fully against those gains.

(5) The effect of so doing is that other gains comprised in the higher rate excess [F6 are then charged at the rate of 24%.]

(6) If the total amount of the entrepreneur or investor gains does not exceed the unused part of the individual's basic rate band—

(a) so much of that unused part as is equal to that total amount is used against those gains, and

(b) accordingly, the higher rate excess consists only of gains other than entrepreneur or investor gains.

[F7 (7) The individual may allocate so much of the unused part of the individual's basic rate band [F8 as then remains to gains other than entrepreneur or investor gains.]

(8) The effect of the allocation is that the gains to which the allocation is made are charged at the rate of 18%.

(9) Any gains to which no allocation is made are [F9 charged at the rate of 24%.]]]

Textual Amendments

F1 Pt. 1 substituted (with effect in accordance with Sch. 1 paras. 120, 123 of the amending Act) by Finance Act 2019 (c. 1), **Sch. 1 para. 2**

F2 S. 1I(A1) omitted (for the tax year 2026-27 and subsequent tax years (but in relation to investment management services whenever performed)) by virtue of Finance Act 2026 (c. 11), s. 58(6), **Sch. 11 para. 2(3)**

F3 Words in s. 1I(1) substituted (with effect in accordance with s. 12(3) of the amending Act) by Finance Act 2025 (c. 8), **s. 12(2)(b)**(3)

F4 Words in s. 1I(2) substituted (with effect in accordance with s. 12(3) of the amending Act) by Finance Act 2025 (c. 8), **s. 12(2)(c)**(3)

F5 Word in s. 1I(4)(a) substituted (with effect in accordance with s. 9(8) of the amending Act) by Finance Act 2025 (c. 8), **s. 9(7)**(8) (with Sch. 2 Pt. 3)

F6 Words in s. 1I(5) substituted (with effect in accordance with s. 12(3) of the amending Act) by Finance Act 2025 (c. 8), **s. 12(2)(d)**(3)

F7 S. 1I(7)-(9) substituted (with effect in relation to disposals made on or after 30.10.2024) by Finance Act 2025 (c. 8), s. 7(3), **Sch. 1 para. 2(d)** (with Sch. 2 Pts. 1, 2)

F8 Words in s. 1I(7) substituted (with effect in accordance with s. 12(3) of the amending Act) by Finance Act 2025 (c. 8), **s. 12(2)(e)**(3)

F9 Words in s. 1I(9) substituted (with effect in accordance with s. 12(3) of the amending Act) by Finance Act 2025 (c. 8), **s. 12(2)(f)**(3)