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Taxation of Chargeable Gains Act 1992

UK Public General Acts > 1992 c. 12 > Part 1 > Chapter 1 > Rates of CGT > Section 1J

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Changes over time for: Section 1J ?


2/2019


18/03/2026

Changes to legislation:

Taxation of Chargeable Gains Act 1992, Section 1J is up to date with all changes known to be in force on or before 08 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. ?

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[F1 1J Section 1J: definitions and other supplementary provision

(1) For the purposes of section 1I—

a “higher income tax rate” means—

(a) the higher rate or the default higher rate,

(ab) [F2 the property higher rate,]

(b) the savings higher rate, or

(c) the dividend upper rate, and

“the unused part of the individual's basic rate band” means the amount by which the basic rate limit exceeds the individual's Step 3 income.

- (2) If an individual is entitled to relief for a tax year under section 539 of ITTOIA 2005 (contracts for life insurance) by reference to the amount of a deficiency, the individual's Step 3 income for the tax year is treated for the purposes of this section as reduced by the amount of the deficiency.
- (3) If, as a result of section 669(1) and (2) of ITTOIA 2005 (inheritance tax on accrued income), there is a reduction in the residuary income of an estate for a tax year that reduces an individual's income by any amount, the individual's Step 3 income for the tax year is treated for the purposes of this section as reduced by the amount of that reduction in the individual's income.
- (4) If an individual has life insurance gains for a tax year, the individual's Step 3 income for the tax year is treated for the purposes of this section as if the amount of those gains were limited to—
- (a) the annual equivalent within the meaning of section 536(1) of ITTOIA 2005, or
 - (b) the total annual equivalent within the meaning of section 537 of that Act,
- as the case may be.
- (5) If—
- (a) an individual has life insurance gains for a tax year,
 - (b) relief is given under section 535 of ITTOIA 2005 for the tax year, and
 - (c) the calculation under section 536(1) or 537 of that Act for the tax year does not involve the higher rate,
- the individual is treated for the purposes of section 11 as if none of the individual's income were chargeable to income tax at the higher rate, the default higher rate **[F3]**, the property higher rate, the savings higher rate] or the dividend upper rate.
- (6) In the application of section 11 in the case of any individual it is to be assumed that the individual is not a Scottish or Welsh taxpayer.
- (7) In this section—
- “the individual's Step 3 income” means so much of the individual's total income for the tax year as is left after taking Step 3 under section 23 of ITA 2007 (income tax liability calculation), and
- “life insurance gains”, in relation to an individual, means the amount or amounts treated as the individual's income as a result of section 465 of ITTOIA 2005 (gains from contracts for life insurance).
- (8) Expressions used in this section which have a meaning when used in the Income Tax Acts have the same meaning in this section.】

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. 1J(1)(ab) inserted (for the tax year 2027-28 and subsequent tax years) by [Finance Act 2026 \(c. 11\)](#), s. 6(8), [Sch. 1 para. 38\(a\)](#)
- F3** Words in s. 1J(5) inserted (for the tax year 2027-28 and subsequent tax years) by [Finance Act 2026 \(c. 11\)](#), s. 6(8), [Sch. 1 para. 38\(b\)](#)

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