
Capital Gains Tax (CGT) on the disposal of an asset

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How to calculate CGT

You must file a return if you have disposed of an asset, even if there is no tax due. Further information can be found on the next page.

CGT is only applied to the 'chargeable gain', not the whole amount you receive. The chargeable gain of an asset is the difference between:

- the amount you received for it (the sale price)
- and**
- the amount you paid for it (the purchase price) and any 'allowable expenses'.

You must calculate your chargeable gain for the whole tax year.

If you have more than one gain, you must add them together. You will also need to deduct any losses. All of this information will need to be detailed on your [return](#).

If you owned the asset before 2003, you may claim [indexation relief](#).

You might need to use the 'market value' instead of the sale price or purchase price. For example, if you gift an asset to someone instead of selling it. The market value of an asset is the best price you would get if you sold the asset on the open market.

Note

If you are an individual, you have a personal exemption of €1,270 each year. If your chargeable gain is less than this, you will not have to pay any CGT.

Rate of CGT

The rate of CGT is 33% for most gains. There are other rates for specific types of gains. These rates are:

- 40% for gains from foreign life policies and foreign investment products.
- 15% for gains from venture capital funds for individuals and partnerships.
- 12.5% for gains from venture capital funds for companies.

Venture capital is money that is invested in a start-up company or a small business.

What are 'allowable expenses'?

These are costs that you can deduct from the sale price to work out your chargeable gain. They can be:

- any money spent by you which adds value to the asset (known as 'enhancement expenditure')
and
- costs (for example, fees paid by you to a solicitor or auctioneer) when you acquired and disposed of the asset.

When do you use market value?

You will need to use the market value of the asset to work out your chargeable gain if:

- it was a gift to someone other than your spouse or civil partner
- you sold it for less than it was worth to help the buyer
- you inherited it and are now disposing of it
or
- you bought it before 6 April 1974.

How to calculate how much CGT to pay

When you have worked out your chargeable gain, you must work out your taxable gain by deducting:

- your personal exemption (if you are an individual)
- any other exemptions or reliefs due
and
- allowable losses.

When you know what your total taxable gain for a tax year is, you must multiply it by the rate of CGT. The responsibility remains with you to make an accurate assessment of your liability, if any.

You might be able to claim a [credit for foreign CGT](#) you have paid. This can be claimed on your return.

Historical CGT rates

Rates for most gains changed on 6 December 2012 to 33%.

Historic CGT rates

Date of disposal	CGT rate
7 December 2011 – 5 December 2012	30%
8 April 2009 – 6 December 2011	25%
15 October 2008 – 7 April 2009	22%
Up to, and including, 14 October 2008	20%

Example 1



Mary bought a house in 2003 for €130,000. She paid solicitor's fees of €300 for this purchase.

In July 2017, Mary sold the house for €380,000. She paid auctioneer's fees of €5,280 and solicitor's fees of €1,110 for this sale.

Calculation of Mary's CGT

Description	Calculation	Value
Sale price		€380,000
Deduct allowable expenses:		
Purchase price		€130,000
Solicitor's fees (purchase)		€300
Auctioneer's fees (sale)		€5,280
Solicitor's fees (sale)		€1,110
Chargeable gain		€243,310
Deduct personal exemption		€1,270
Taxable gain		€242,040
CGT (33% of €242,040)	€242,040 x 0.33	€79,873.20

Mary paid her CGT by 15 December 2017. She filed her CGT return by 31 October 2018.

Example 2



John bought a painting for €6,000 in 2013. He gifted the painting to his carer on 17 July 2017. The market value of the painting was €10,050 on this date.

Calculation of John's CGT

Description	Calculation	Value
Market value of gift		€10,050
Deduct allowable expenses:		
Purchase price		€6,000
Chargeable gain		€4,050
Deduct personal exemption		€1,270
Taxable gain		€2,780
CGT (33% of €2,780)	€2,780 x 0.33	€917.40

John paid his CGT by 15 December 2017. He filed his CGT return by 31 October 2018.