Capital Acquisitions Tax (CAT) thresholds, rates and aggregation rules

1. Overview
2. Important dates for CAT
3. CAT aggregation rules
4. **CAT groups**
5. CAT group thresholds
6. CAT rates
7. Historical CAT groups, group thresholds and rates

CAT groups

> **Note**
>
> Gifts and inheritances taken by a spouse or civil partner are exempt from CAT.
>
> If you are a widow, widower or a surviving civil partner, Surviving Spouse or Surviving Civil Partner Relief may apply to you.

You do not pay tax on a gift or inheritance if its taxable value is below a particular threshold. The threshold you use depends on your relationship to the disponer. You must pay tax on any remaining value above that threshold. There are three group thresholds.

A ‘child’ includes an adopted child and a stepchild.

Group A

The Group A threshold applies where you, the beneficiary, on the date of the gift or inheritance are:

- a child of:

    - the disponer

    or

    - the disponer's civil partner
- a minor child, under 18 years of age, of a deceased child of:
    - the disponer

    or

    - the disponer's civil partner
- a minor child of the civil partner of a deceased child of:
    - the disponer

    or

    - the civil partner
- a foster child of the disponer, in certain circumstances

  or

- a parent of the disponer and you inherit an absolute interest of an inheritance on the death of your child. An inheritance of a limited interest does not qualify for the Group A threshold.

An Estate may consist of several different properties. It is not necessary for a parent to inherit the whole of an Estate in order to take an absolute interest. A person inherits an absolute interest in a property if the deceased has not attached any conditions or restrictions in relation to that property.

Group B

The Group B threshold applies where you, the beneficiary, on the date of the gift or inheritance are:

- a parent of the disponer, where you take a gift or a limited interest
- a brother or sister of the disponer
- a child of a brother or sister of the disponer (Favourite Nephew or Niece Relief may apply)
- a child of the civil partner of a brother or sister of the disponer
- a lineal ancestor of the disponer, such as a grandparent

  or

- a lineal descendant of the disponer such as a grandchild (other than a lineal descendant referred to in group A).

If you, the beneficiary, were fostered, the Group B threshold may be available if the gift or inheritance is received from:

- a relative of your foster parent

or

- a person who was also fostered by your foster parent.

For further information, please see Foster Child Relief.

Group C

The Group C threshold applies where you, the beneficiary, on the date of the gift or inheritance, do not have a relationship with:

- the disponer covered in Group A

  or

- the disponer covered in Group B.

Group C includes benefits taken by uncles, aunts, grandnephews, grandnieces, cousins, in-laws and friends. A benefit received by a nephew or niece, from an uncle or aunt, is Group B. However, a benefit received by an uncle or aunt, from a nephew or niece, is Group C.