Capital Gains Tax – rate of charge (S.28)

Part 02-03-01A

This document should be read in conjunction with section 28 of the Taxes Consolidation Act 1997

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Revenue
Cáin agus Custaim na hÉireann
Irish Tax and Customs

Introduction

Section 28 of the Taxes Consolidation Act 1997 ("TCA 1997") provides that the charge to Capital Gains Tax ("CGT") arises in respect of gains accruing to a person in a year of assessment on the disposal of assets.

1A.1 Current rate of charge

Subject to exceptions provided for in the Capital Gains Tax Acts, the CGT rate is 33% for disposals on or after 6 December 2012.

1A.2 Former rates of charge

The rates for disposals prior to 6 December 2012 are as follows:

- 30% for disposals between 7 December 2011 and 5 December 2012
- 25% for disposals between 8 April 2009 and 6 December 2011
- 22% for disposals between 15 October 2008 and 7 April 2009 and
- 20% for disposals between 3 December 1997 and 14 October 2008.

As with the current rate, these are subject to exceptions – see **para 1A.3.**

Certain gains on the disposal under CPO of farmland for road building, widening and related purposes are treated as accruing in the year of assessment in which the compensation is received. The applicable CGT rate is that which is in force when the disposal is made (Tax and Duty Manual (TDM) Part 19-01-15).

See **Appendix 1** for the rates applicable to disposals prior to 3 December 1997.

1A.3 Exceptions

Gains arising on the disposal of certain interests in offshore funds **(section 747A TCA 1997)** and certain foreign life assurance policies (TDM Part 19-05-02) are charged at 40%.

Certain gains accruing to venture fund managers are charged to CGT at 15% if received by a partnership and 12.5% if received by a company (TDM Part 19-01-14B).

For chargeable gains applying to life assurance business see TDM Part 26-00-02.

Exit tax is charged at 12.5% on gains on a disposal deemed to have occurred where companies migrate or transfer assets offshore, without an actual disposal, such that they leave the scope of Irish tax. An anti-avoidance provision is included to ensure that a rate of 33% rather than 12.5% applies if the exit forms part of a transaction to actually dispose of the asset and the purpose of the exit is to ensure that the gain is charged at the lower rate (TDM Part 20-02-01).

1A.4 Development land gains

For the rate of charge and specific rules applicable on the disposal of development land, please refer to TDM Part 22-02-03.

Appendix 1

Period	Basic CGT Rate
6/4/1974 - 5/4/1978	26%
6/4/1978 - 25/3/1982	30%[1]
26/3/1982 - 5/4/1986	40%[2]
6/4/1986 - 5/4/1990	30%[3]
6/4/1990 – 5/4/1992	30%[4]
6/4/1992 – 2/12/1997	40%[5]

[1] Tapering (reduced) rates applied in certain circumstances.
[2] Higher rates applied where the asset was owned for not more than 3 years.
[3] Generally higher rates applied where the asset was owned for not more than 6 years.
[4] As note 3.
[5] For the period 6/4/1994 to 2/12/1997 a reduced rate applied to certain shares.