

## **Capital Gains Tax Workbook: 2023/24**

### **Question 1**

Ten years ago, Henry a buy to let investor purchased a property for £200,000. He incurred costs of £15,000.

It needed extensive remedial works which cost £50,000.

It was sold in October 2023 (Completion date October 1) for £400,000. Sale costs amounted to £40,000.

Henry is a higher rate tax payer. This is his only disposal this year and he has no losses to bring forward

Calculate showing all your workings the amount of CGT that would be payable on this sale and state when this would be paid

### **Question 2**

June sold her holding in ABC OEIC for £43,000 in 2023/2024. Her original investment was £20,000.

In the same tax year she also sold shares in Bad Bank for £5,000 that she had purchased for £12,000.

She has losses from a previous year of £20,000.

Calculate the losses she can carry forward to the next tax year working on the basis that she wants to reduce her CGT liability for the current year to zero.

### **Question 3**

**Kate bought a property for £150,000 inclusive of all costs on September 1 2003. She lived in it until September 1 2007 when she went to stay with her mother who had suffered a stroke**

**Her mother died in 2010 and on March 1 2010 she moved back into her own house. It was unoccupied during this period.**

**She continued to live there until March 2012 and on the 1 March 2012, as a result of a legacy she purchased and moved into a more central property. She decided to rent out her original house and it was let from March 1 2015 to February 28 2023.**

**The original house was sold on September 1 2023 for £400,000.**

**Her taxable income after her personal allowance is £10,000 short of the higher rate threshold**

**Calculate, showing all your workings, the amount of CGT that is payable**

### **Question 4**

**Tom is a pensioner with an income of £20,000. He collects antiques as a hobby and in the current tax year he sold the following items:**

- **A painting for £15,000 with sale costs of £250. He bought it 10 years ago for £2,000.**
- **A vase sold for £5,800 that he bought for £3,000 12 years ago.**
- **A necklace for £8,400 that he bought for £2,400 six years ago.**

**Calculate showing all your workings the CGT that will be payable.**

### Question 5

Henry bought shares in the same company on the following dates.

	Number of shares	Price
June 2014	4,000	100p
June 2015	3,500	180p
June 2016	2,500	200p
June 2017	2,000	220p

#### Part (a)

If he sells 6,000 shares on November 1 2023 for 240p calculate the gain before annual exemption together with the number of shares in the pool after this transaction and their base cost.

#### Part (b)

If the share price then falls he buys 6,000 shares in the same company for 200p calculate the gain, if any, and the base cost of the pool if

- (i) They are bought on December 15
- (ii) They are bought on November 15

### Question 6

Stan and Ann separated on July 1 2022. They finalised their divorce on May 1 2023. As part of the settlement Stan is transferring 50% of his total holding of 50,000 units in the XYZ UK share fund. The original acquisition price was 60p a unit

Calculate the taxable gain and state who is responsible for paying the tax if:

- (i) The shares are transferred on February 1 2023 and Ann sells them on June 1 2023 for 320p
- (ii) The shares are transferred on May 1 2023 and Ann sells them immediately for 325p

### **Question 7**

**Tony was employed and on a salary of £40,000 until he was made redundant on October 1 2023. He was paid on the 25<sup>th</sup> of each month.**

**He received £40,000 in redundancy pay and had received £3,000 in Social Security Benefits for the remainder of 2023/24.**

**In view of this he decides to sell most of his other assets. These consisted of the following:**

**A portfolio of unit trusts that were acquired for £20,000 and sold for £30,000**

**A house he was renovating with a view to renting it out. The acquisition price including all costs was £200,000. He has spent £80,000 so far and sold the property for £250,000**

**A holiday home that had been left to him by his father with a probate value of £300,000. He received £390,000 after sales costs.**

**Calculate, showing all your workings his CGT liability in 22/23**

### **Question 8**

**Harry and Sally bought their house on June 1 2008 on a joint tenancy basis. The price taking account of costs was £200,000.**

**In 2013 Harry died and on June 1 2018 Sally decided to let out two rooms through Airbnb to supplement her income. The let rooms comprised 20% of the property.**

**She continued to live in the house and had regular lettings until she decided to sell the house. This was completed in June 1 2023. The proceeds after costs were £500,000.**

**Her pension income is £25,000**

**Calculate her CGT liability.**