HMRC - CG34860 - Settlor Trusts: Computations: Amount Chargeable: On Settlor

TCGA92/S77 (1)

If the chargeable gains of the trustees exceed their losses:

no assessment is made in respect of those gains on the trustees,

the annual exempt amount due to the trustees is disregarded,

the net chargeable gains are treated as accruing to the settlor. For 1998-1999, 1999-2000 and, if an election is not made, see CG34873, certain later years, the amount attributed to the settlor is the amount which remains after the application of taper relief,

in computing the settlor’s chargeable gains for the year, losses accruing in a personal capacity are deducted against personal gains first,

for years up to and including 1997-98 remaining personal losses are deducted from the trustees’ gains attributed to the settlor. CG34865+ explains the interaction of personal losses, attributed trust gains and taper relief for 1998-99 onwards,

the annual exempt amount due is then set against the total chargeable gains including attributed trust gains,

any excess of allowable losses arising to the trustees cannot be set against the personal gains of the settlor.

If there is more than one settlor associated with the settlement, see CG34890 +.

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