



## Capital Gains Tax Indexation Allowance

### Individuals and Trusts

For disposals of chargeable assets that were acquired after 31/03/1982 and before 05/04/1998 the cost may be increased to take account of the increase in the retail prices index. This increase is called the indexation allowance.

Indexation allowance is calculated using the following formula:

$$\text{Allowance} = \text{Acquisition cost} \times (\text{RD}-\text{RI})/\text{RI}$$

Where:           RD = retail prices index for the month in which the asset was disposed  
                       RI = retail prices index for the month in which the asset was acquired

### Note:

1. Indexation allowance cannot create or increase a capital loss.
2. For assets sold by individuals and trusts after 05/04/1998 indexation is only available up to March 1998. Thereafter taper relief is available - see the separate factsheet.

### Companies

Indexation allowance is available to companies in the same way as individuals, save only that it continues to be available for asset disposals after 05/04/1998.

### Retail Prices Index Table

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
January	135.6	137.9	141.3	146.0	150.2	154.4	159.5	163.4	166.6	171.1
February	136.3	138.8	142.1	146.9	150.9	155.0	160.3	163.7	167.5	172.0
March	136.7	139.3	142.5	147.5	151.5	155.4	160.8	164.1	168.4	172.2
April	138.8	140.6	144.2	149.0	152.6	156.3	162.6	165.2	170.1	173.1
May	139.3	141.1	144.7	149.6	152.9	156.9	163.5	165.6	170.7	174.2
June	139.3	141.0	144.7	149.8	153.0	157.5	163.4	165.6	171.1	174.4
July	138.8	140.7	144.0	149.1	152.4	157.5	163.0	165.1	170.5	173.3
August	138.9	141.3	144.7	149.9	153.1	158.5	163.7	165.5	170.5	174.0
September	139.4	141.9	145.0	150.6	153.8	159.3	164.4	166.2	171.7	174.6
October	139.9	141.8	145.2	149.8	153.8	159.5	164.5	166.5	171.6	174.3
November	139.7	141.6	145.3	149.8	153.9	159.6	164.4	166.7	172.1	173.6
December	139.2	141.9	146.0	150.7	154.4	160.0	164.4	167.3	172.2	
	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
January	—	82.61	86.84	91.20	96.25	100.0	103.3	111.0	119.5	130.2
February	—	82.97	87.20	91.94	96.60	100.4	103.7	111.8	120.2	130.9
March	79.44	83.12	87.48	92.80	96.73	100.6	104.1	112.3	121.4	131.4
April	81.04	84.28	88.64	94.78	97.67	101.8	105.8	114.3	125.1	133.1
May	81.62	84.64	88.97	95.21	97.85	101.9	106.2	115.0	126.2	133.5
June	81.85	84.84	89.20	95.41	97.79	101.9	106.6	115.4	126.7	134.1
July	81.88	85.30	89.10	95.23	97.52	101.8	106.7	115.5	126.8	133.8
August	81.90	85.68	89.94	95.49	97.82	102.1	107.9	115.8	128.1	134.1
September	81.85	86.06	90.11	95.44	98.30	102.4	108.4	116.6	129.3	134.6
October	82.26	86.36	90.67	95.59	98.45	102.9	109.5	117.5	130.3	135.1
November	82.66	86.67	90.95	95.92	99.29	103.4	110.0	118.5	130.0	135.6
December	82.51	86.89	90.87	96.05	99.62	103.3	110.3	118.8	129.9	135.7

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