



Step-by-Step Guide for Calculating

UK CAPITAL GAINS TAX

on Property and Shares

TAX

60-Day Capital Gains Tax Calculation for UK Property Sale

1 Determine if the 60-Day Rule Applies:

- Applies to UK residents selling UK residential property where CGT is due.
- You must report and pay CGT within 60 days of the completion date (not exchange date).

3 Calculate the Gain:

- Gain = Sale Proceeds – (Purchase Price + Allowable Costs + Capital Improvements)
- Deduct any applicable reliefs (e.g., Private Residence Relief, Letting Relief)

5 Apply the Correct Tax Rate:

- 18% for basic rate taxpayers
- 24% for higher/additional rate taxpayers (on residential property)

7 Include in Self-Assessment:

- Even after reporting via the 60-day service, include the gain in your annual tax return.

2 Gather Key Information:

- Date of purchase and sale (completion)
Purchase and sale prices
- Legal fees, estate agent fees, SDLT, and other costs
Capital improvements (not repairs)
Periods of occupation vs. letting (for Private Residence Relief)
Ownership percentage and any transfers to spouse

4 Apply CGT Allowance:

- For 2025/26, the annual CGT exemption is £3,000 per individual.

6 Report and Pay:

- Use the HMRC online CGT on UK Property Account to report and pay within 60 days.

Please be advised that the completion of the self-assessment, tax returns, accounts & in house bookkeeping is the responsibility of the taxpayer. If you are not a client of Total Books and are using any parts of this guide to complete your own work without direct advice from Total Books, then we will not be held responsible for any mistakes made directly by yourselves.

We always advise seeking professional support from a qualified accountant as tax is a complex area. To speak to one of our experts call us on 02920 026 505



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Capital Gains Tax Calculation for Sale of Shares

1 Identify Share Transactions:

- Record all purchases and sales: dates, quantities, prices, and associated costs (e.g., broker fees).

3 Apply the "Bed and Breakfast" Rule:

- If shares are sold and repurchased within 30 days, match the sale with the repurchase (not the pool) for CGT purposes.

5 Apply CGT Allowance:

- £3,000 for 2025/26 tax year

7 Report and Pay:

- Report via Self-Assessment on your tax return.

2 Apply Share Pooling Rules:

- HMRC requires pooling of shares of the same class in the same company.
- Calculate average cost per share across all purchases before the sale date.

4 Calculate the Gain:

- Gain = Sale Proceeds – (Matched Cost + Proportion of Pool Cost)
- Deduct any allowable costs (e.g., transaction fees)

6 Apply the Correct Tax Rate:

- 10% for basic rate taxpayers
- 20% for higher/additional rate taxpayers

10 Key UK Capital Gains Tax Exemptions Explained

Book A free 15 minute Business Call

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