

A.8 RATES OF CAPITAL TRANSFER TAX / INHERITANCE TAX UP TO 1988

ON TRANSFERS ON DEATH

Lower limit of slice of chargeable capital (£ thousand)

CAPITAL TRANSFER TAX								INHERITANCE TAX	
Rates of tax (%)	13 Mar 1975 to 26 Oct 1977	27 Oct 1977 to 25 Mar 1980	26 Mar 1980 to 8 Mar 1982	9 Mar 1982 to 14 Mar 1983	15 Mar 1983 to 12 Mar 1984	13 Mar 1984 to 5 Apr 1985	6 Apr 1985 to 17 Mar 1986	18 Mar 1986 to 16 Mar 1987	17 Mar 1987 to 14 Mar 1988
10	15	25	-	-	-	-	-	-	-
15	20	30	-	-	-	-	-	-	-
20	25	35	-	-	-	-	-	-	-
25	30	40	-	-	-	-	-	-	-
30	40	50	50	55	60	64	67	71	90
35	50	60	60	75	80	85	89	95	-
40	60	70	70	100	110	116	122	129	140
45	80	90	90	130	140	148	155	164	-
50	100	110	110	165	175	185	194	206	220
55	120	130	130	200	220	232	243	257	-
60	150	160	160	250	270	285	299	317	330
65	500	510	510	650	700	-	-	-	-
70	1,000	1,010	1,010	1,250	1,325	-	-	-	-
75	2,000	2,010	2,010	2,500	2,650	-	-	-	-

LIFETIME TRANSFERS

Lower limit of slice of chargeable capital (£ thousand)

CAPITAL TRANSFER TAX									INHERITANCE TAX	
Rates of tax (%)	27 Mar 1974 to 26 Oct 1977	27 Oct 1977 to 25 Mar 1980	26 Mar 1980 to 9 Mar 1981	10 Mar 1981 to 8 Mar 1982	9 Mar 1982 to 14 Mar 1983	15 Mar 1983 to 12 Mar 1984	13 Mar 1984 to 5 Apr 1985	6 Apr 1985 to 17 Mar 1986	18 Mar 1986 to 16 Mar 1987	17 Mar 1987 to 14 Mar 1988
5	15	25	-	-	-	-	-	-	-	-
7.5	20	30	-	-	-	-	-	-	-	-
10	25	35	-	-	-	-	-	-	-	-
12.5	30	40	-	-	-	-	-	-	-	-
15	40	50	50	50	55	60	64	67	71	90
17.5	50	60	60	60	75	80	85	89	95	-
20	60	70	70	70	100	110	116	122	129	140
22.5	80	90	90	90	130	140	148	155	164	-
25	-	-	-	110	165	175	185	194	206	220
27.5	100	110	110	-	-	-	232	243	257	-
30	-	-	-	130	200	220	285	299	317	330
35	120	130	130	160	250	270	-	-	-	-
40	-	-	-	510	650	700	-	-	-	-
42.5	150	160	160	-	-	-	-	-	-	-
45	-	-	-	1,010	1,250	1,325	-	-	-	-
50	200	210	210	2,010	2,500	2,650	-	-	-	-
55	250	260	260	-	-	-	-	-	-	-
60	300	310	310	-	-	-	-	-	-	-
65	500	510	510	-	-	-	-	-	-	-
70	1,000	1,010	1,010	-	-	-	-	-	-	-
75	2,000	2,010	2,010	-	-	-	-	-	-	-

A.8

IHT THRESHOLDS AND EXCEPTED ESTATES LIMITS FROM 1988

				IHT threshold ¹	Excepted Estates Limit ²
Year of death / transfer				(£ thousand)	(£ thousand)
15 Mar	1988 to	5 Apr	1989	110	70
6 Apr	1989 to	5 Apr	1990	118	110
6 Apr	1990 to	5 Apr	1991	128	115
6 Apr	1991 to	9 Mar	1992	140	125
10 Mar	1992 to	5 Apr	1995	150	125
6 Apr	1995 to	5 Apr	1996	154	145
6 Apr	1996 to	5 Apr	1997	200	180
6 Apr	1997 to	5 Apr	1998	215	180
6 Apr	1998 to	5 Apr	1999	223	200
6 Apr	1999 to	5 Apr	2000	231	200
6 Apr	2000 to	5 Apr	2001	234	210
6 Apr	2001 to	5 Apr	2002	242	210
6 Apr	2002 to	5 Apr	2003	250	220
6 Apr	2003 to	5 Apr	2004	255	240
6 Apr	2004 to	5 Apr	2005	263	263 ³
6 Apr	2005 to	5 Apr	2006	275	275 ³
6 Apr	2006 to	5 Apr	2007	285	285 ³
6 Apr	2007 to	5 Apr	2008	300 ⁴	300 ³
6 Apr	2008 to	5 Apr	2009	312 ⁴	312 ³
From 6 Apr 2009				325 ⁴	325 ³

¹ The threshold is the limit below which an estate does not pay tax.

The value of the estate up to the threshold is referred to as the estate's "nil rate band".

² The limit is the maximum value with which an estate can qualify as excepted by value.

Where the death is on or after 6 April 2010 and all of the nil-rate band from the estate of the first of a couple to die is transferred to the estate of the surviving spouse or civil partner the limit is £650,000. Some excepted estates have different limits. See note 2 to the table.

³ From 6th April 2004 the excepted estate limit is generally equal to the threshold for the same year.

However where death occurs between 6th April and 5th August inclusive, and the grant of representation is applied for before 5th August the limit is equal to the threshold for the previous year.

⁴ Where a spouse or civil partner dies on or after 9 October 2007, any unused proportion of the nil-rate band from the estate of the first of the couple to die can be transferred to the estate of the surviving spouse or civil partner. This means the combined threshold on the second death can be up to twice the threshold in the above table.

Notes to the Table

1 From 15 Mar 1988, the same IHT threshold has applied to both Transfers on Death and Lifetime Transfers. The rate of tax above the threshold has been 40% on all Transfers on Death, and 20% on all Lifetime Transfers. For deaths on or after 6 April 2012 a 36% tax rate can be applied where 10% or more of a deceased person's estate(after deducting liabilities, exemptions excluding the exemption for qualifying gifts left to charities, reliefs and the nil rate band) is left to charity.

2 An excepted by exemption estate, where no tax is paid due to spouse or charity relief, can have a value as high as £1 million. The limit for excepted by value estates where the deceased was non-domiciled in the UK is £150,000 for deaths from 1st September 2006.