



STATEMENT OF PRACTICE SP-CAT/1/94

INTRODUCTION

Indexation was introduced for capital acquisitions tax in the Finance Act, 1990 and is explained in detail in the Statement of Practice on Computation of Tax — Aggregation and Indexation (SP-CAT/2/90). The Finance Act, 1993 introduced indexation in respect of the exemption threshold for probate tax.

INDEXATION FACTORS FOR CAPITAL ACQUISITIONS TAX

The threshold amounts should be multiplied by an indexation factor of —

- (i) 1.04, where the taxable gift or the taxable inheritance is taken in the year 1990,
 - (ii) 1.076, where the taxable gift or the taxable inheritance is taken in the year 1991,
 - (iii) 1.109, where the taxable gift or the taxable inheritance is taken in the year 1992,
 - (iv) 1.145, where the taxable gift or the taxable inheritance is taken in the year 1993,
- and*
- (v) 1.16, where the taxable gift or the taxable inheritance is taken in the year 1994.

INDEXATION FACTOR FOR PROBATE TAX

The exemption threshold should be multiplied by an indexation factor of 1.015 in respect of persons dying in 1994.

January, 1994