Chargeable gains and Stamp Taxes – Pilot paper Qs

1.

On 1 April 2004, Sam bought a three-storey house in Cheshire for £254,250, which included legal and professional fees. He moved into the house immediately.

On 1 October 2005, Sam went to work in his employer's Southampton office, returning to live in the house on 1 October 2013. The house was rented to tenants while he was away.

In early 2014, Sam renovated the house at a cost of £75,000 which included legal and professional fees.

From 1 October 2014, the third storey of the house was let to a tenant as residential accommodation.

Sam sold the house on 1 October 2025 for £675,000, incurring legal and professional fees of £2,250 on the sale.

Sam is a higher rate taxpayer and did not make any other capital disposals in 2025/26.

Calculate Sam's after-tax proceeds on the sale of the property.

(10 marks)

2.

On 1 January 2018, Frasky Ltd bought a freehold office building for use in its trade for £750,000 excluding Stamp Duty Land Tax. The building was sold on 4 January 2026 for £1.35 million.

On 1 April 2026, Frasky Ltd took out a 55-year lease on an office building for use in its trade. The terms of the lease were that Frasky Ltd would pay a premium of £1 million on grant of the lease and annual rent of £60,000. The cumulative factor for a 55-year lease is 24.26405323.

1) Calculate the Stamp Duty Land Tax payable by Frasky Ltd on the purchase of the freehold office building in 2018 and in relation to the leasehold office building in 2026, stating the due dates for payment.

(5 marks)

2) Calculate the chargeable gain on the sale of the freehold office building on 4 January 2026, assuming that any beneficial claims are made, and explain your treatment of the deferred gain.

(5 marks)

(Total 10 marks)

3.

On 15 July 2010, Arczk plc bought 5,000 shares in Pzrck Ltd for £13,500.

On 18 May 2014, Pzrck Ltd made a 1 for 5 rights issue for £4.50 per share. Arczk plc took up all its rights.

On 30 March 2017, Pzrck Ltd made a 2 for 3 bonus issue when the market value per share was £5.75.

On 1 November 2022, Arczk plc sold 3,000 shares in Pzrck Ltd and on 20 February 2026 sold all the remaining shares for £26,500.

Calculate Arczk plc's chargeable gain on the sale of the Pzrck Ltd shares on 20 February 2026.

(5 marks)

4.

On 14 March 2026, Austin gave his minority holding of shares in Cencretia Ltd to his daughter Amanda.

Austin had owned the shares since 2012 when he became the managing director of the company.

Explain the conditions that must be satisfied for gift relief and/or business asset disposal relief to be available and state the due date(s) of any claims.

(5 marks)

5.

Investher Ltd owns a residential property in the UK which it bought for £4.4 million on 1 June 2019. It was rented out as part of the company's property rental business from 1 June 2019 to 1 December 2025. Since 1 December 2025 it has been occupied by Esther, the sole shareholder of Investher Ltd.

The property was valued at £5.6 million on 1 April 2022.

Explain any Annual Tax on Enveloped Dwellings (ATED) charges due over the period of Investher Ltd's ownership of the property and state the due date(s) for payment.

(4 marks)

6.

In 2015, Louise inherited a painting from her grandmother when it was valued at £5,700. Her grandmother had paid £3,500 for the painting in 1987.

On 12 December 2025, Louise sold the painting at auction for £7,125 after auctioneer's costs of 5% of the selling price.

Calculate the chargeable gain on the sale of the painting.

(3 marks)

7.

Tanya, a higher rate taxpayer, had the following chargeable gains and allowable losses for 2025/26:

		£
10 April 2025	Gain on the sale of a gold necklace	6,600
18 May 2025	Loss on the sale of shares	(3,375)
31 August 2025	Gain on the sale of a residential property	22,600
17 December 2025	Loss on the sale of an antique vase	(8,600)

Tanya had capital losses of £4,500 brought forward on 6 April 2025.

Calculate the Capital Gains Tax due in respect of the residential property and state the due date for payment.

(3 marks)