

- (i) twenty-five per cent of the capital gain arising on the disposal, or
- (ii) ten per cent of the consideration received for the disposal.

(3) No capital gains tax is payable on the disposal of a capital asset if the capital gain arising on the disposal is exempt from capital gains tax.

106. Computation of capital gain

(1) The capital gain arising on disposal of a capital asset is the excess of the consideration received on the disposal over the cost of the asset at the time of the disposal.

(2) The capital gain arising on disposal of a capital asset shall not be reduced by any capital loss arising on disposal of another capital asset.

107. Exempt capital gains

(1) The following capital gains are exempt from capital gains tax –

- (a) a capital gain on disposal of a capital asset by any person, if the amount of the gain does not exceed seven thousand five hundred dalasis;
- (b) a capital gain derived by a local authority, district authority, Government institution, or charitable organisation;
- (c) a capital gain on disposal of a private residence to the extent provided for in section 108; and
- (d) a capital gain on disposal of agricultural land to the extent provided for in section 109.

(2) If the Commissioner-General is satisfied that a capital asset has been disposed of in two or more parts for the purpose of taking advantage of paragraph (a) of subsection (1), any capital gain arising from the disposals is exempt under this paragraph only if the total gain from the disposal of all parts does not exceed seven thousand five hundred dalasis.

108. Disposal of private residence

(1) This section applies to a disposal of a building by a person if –

- (a) in the two years immediately preceding the disposal, the building was used by the person or a parent of the person mainly as a private residence; and
- (b) the person has –
 - (i) within one year after the disposal, purchased a new private residence for his or her use, or
 - (ii) within two years after the disposal, constructed a private residence for his or her use.

(2) If this section applies and the capital gain on the disposal is equal to or less than the cost of the new private residence, the capital gain is exempt from capital gains tax.

(3) If this section applies and the capital gain on the disposal exceeds the cost of the new private residence, the amount of the excess is subject to capital gains tax at the time the new private residence is purchased or constructed.

109. Disposal of agricultural land

(1) This section applies to a disposal of land by a person if –

- (a) in the two years immediately preceding the disposal, the land was used by the person or a parent of the person for agricultural purposes; and
- (b) the person has within two years after the disposal, purchased new land for agricultural purposes.

(2) If this section applies and the capital gain on the disposal is equal to or less than the cost of the new agricultural land, the capital gain is exempt from capital gains tax.

(3) If this section applies and the capital gain on the disposal exceeds the cost of the new agricultural land, the amount of the excess is subject to capital gains tax at the time the new agricultural land is purchased.

110. Foreign tax credit

(1) If a resident person has a foreign capital gain on which foreign tax has been paid, the person is allowed a tax credit of an amount equal to –

- (a) the foreign tax paid; or