

## UK Land Disposal Returns

New legislation introduced means that any UK resident selling an interest in residential property which gives rise to a tax liability will have to submit a new Capital Gains Tax Return.

Under the old rules, UK taxpayers normally had until 31st January in the year following the tax year ending 5th April to submit details of any gains made on UK property and to pay the tax thereon.

**From 6th April 2020**, UK tax payers now have only **30 days from the date of completion** to file the new Return and pay over the estimated tax.

Capital Gains tax rules for properties are not always straight forward, particularly if the ownership history is complicated or if the property has been used as the main residence for a proportion of the ownership.

UK taxpayers will still be required to submit a Self-Assessment Tax Return to record the gain as normal to finalise the tax payable, so this change represents an increased administrative burden as well as an acceleration of the tax.

Please note that the new reporting and payment requirements do not affect those selling a property if there is no tax payable due to; Principal Private Residence (PPR), the availability of previous losses or an individual's Annual Exemption (currently £12,300).

The current rate of Capital Gains Tax for residential property is 18% or 28% depending on your level of income, so the tax involved could be significant. There are also likely to be penalties and interest for late filing and/or late payment of the tax.

If you are unsure or would like to discuss a potential tax charge, please contact Burgess Hodgson LLP.