



CAPITAL GAINS TAX ON UK RESIDENTIAL PROPERTY REPORTING CHANGES

From 6 April 2020 there has been a major change in the reporting and payment requirements for Capital Gains Tax due on the disposal of UK residential property.

If you make a disposal after this date that is subject to Capital Gains Tax, you will need to report this to HM Revenue & Customs **AND** pay the tax within 30 days of completion. Penalties and interest will be charged if this deadline is not met.

Disposals that will need to be reported, include (but are not limited to) the following:

- Holiday homes
- Second homes
- Properties that you let out
- Inherited properties that you have not used as your main home

However, a report won't be needed if:

- The property was your main home throughout your ownership
- Contracts were exchanged before 6 April 2020
- You sold/gifted the property to your spouse or civil partner
- The property is outside of the UK
- You sold the property for a loss
- Your profit is within your Annual Exempt Amount – this is £12,300 for 2020/21

Please note that if you gift a property this is still subject to Capital Gains Tax, even if you receive no money for the disposal.

If you lived in the property as your main residence for part of your ownership, you may still need to report this to HM Revenue & Customs, although the amount of Capital Gains Tax due will be reduced proportionately.

If you are non-UK resident, your reporting requirements are different to what is covered here. Please contact us for further information.

If you have a gain to report, please let us have details as soon as possible so that we can meet the reporting requirements for you. If you are unsure if any of the above applies to you, or have any other queries, please do not hesitate to contact us for further advice.