

Hawsons Chartered Accountants

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Payment of CGT within 30 days – new rules from 6 April 2020

Significant changes in CGT regime

Did you know that, from 6 April 2020, there will be significant changes to the capital gains tax regime for disposals of UK residential land and property? UK residents making a disposal will be required to submit a return and pay any capital gains tax due to HMRC within 30 days of completion! This is a significant reduction to the previous reporting and payment deadline, which was up to 22 months after disposal.

There is no requirement for a UK resident to submit a return if the gain is entirely covered by principal private residence relief.

Non-residents are subject to separate rules and are required to submit a return even if they do not have a tax liability. They are now also required to submit returns for disposals of UK commercial property, as well as for UK residential property.

More individuals (including trustees and personal representatives of deceased estates) will be brought within this new regime.

There are also forthcoming restrictions in principal private residence relief and lettings relief which complicates matters.



Penalties

Substantial penalties will be incurred if the new rules are not complied with, starting with a £100 late filing penalty and subsequent penalties of the higher of £300 or 5% of the tax due if the return is more than 6 months and 12 months late. HMRC may also issue further penalties of £10 per day.



How we can help

Hawsons have the knowledge and expertise to accurately calculate any capital gains tax liability and file the return correctly within the required timeframe. We can also identify any tax planning opportunities and apply any reliefs which may be available to mitigate the liability.



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