

Capital Gains Tax for UK residential property

Capital Gains Tax (CGT) rules changed from 6 April 2020 in that if you are a UK resident and dispose of a residential property in the UK you will have just 30 days from the date of completion to inform HMRC of the disposal and to pay any CGT due.

When do you need to report CGT within 30 days?

HMRC's online service allows you to report and pay any CGT owed within 30 days of the date of completion. As part of the reporting procedure you have to have a Government Gateway ID which we can guide you through the set-up of and how to authorise us to act as your agent for the CGT report.

You may need to make a CGT report and make a payment when, for example, you sell or otherwise dispose of:

- A property that you have not used as your main home.
- A holiday home.
- A property which you let out for people to live in.
- A property that you have inherited and not used as your main home.

You **will not** have to make a report or payment when:

- A legally binding contract for the sale was made before 6 April 2020, but completion falls after this date.
- You meet the criteria for Private Residence Relief.
- The gains, including any other chargeable residential property gains in the same year, are within your tax free allowance (currently £12,300).
- You sold the property for a loss .
- The property is outside the UK.

How do you report any CGT?

HMRC's online service allows you to report and pay any CGT owed within 30 days of the date of completion. As part of the reporting procedure you have to have a Government Gateway ID which we can guide you through the set-up of and how to authorise us to act as your agent for the CGT report.

If you miss the reporting and payment deadline then penalties will be charged by HMRC. The disposal will still need to be reported on the individual's self-assessment tax return if one is completed, as well as submitting the one-off online form.

We recommend that you get in touch with us if you are planning on disposing of a residential property and we can help you establish the likely tax liability and plan for the filing of the return.



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