



Private client tax

Topical issues in personal tax

Have you considered these topical issues in the UK tax system?

Sale of former home

From April 2020, the Capital Gains Tax position on sale of a former home that has been rented out is expected to worsen significantly. Those considering a disposal in coming years may wish to 'lock in' to the current regime by accelerating that sale.

Property sales by non-residents

From 6 April 2019, the rules on the taxation of residential property sales by non-UK tax resident persons were extended to cover all UK real estate as well as shares in companies deriving their value from UK land and buildings. Such sales are taxable and reportable within 30 days of conveyance.

Entrepreneurs' Relief

From April 2019, HMRC have further tightened the requirements for Entrepreneurs' Relief to be claimed; principally increasing the qualifying period from one year to two years.

Property and Trading Allowances

Since April 2017, there have been property and trading allowances available which give the option of claiming a £1,000 tax-free allowance on rental and trading income respectively, instead of claiming for all actual expenses of running the property or trade.

Marriage Allowance

Statistics show that the Marriage Allowance continues to be under-claimed. It is available where one spouse has income below the thresholds for tax to be charged whilst the other pays tax at the basic rate.

Sharing household income

As well as stark differences in tax rates, income thresholds operate to limit personal allowances, hinder child benefit entitlement and limit ability to contribute to pensions. Married couples should consider options for equalising their income where possible.

Probate services

As well as offering a wide range of tax services, a number of UHY Hacker Young offices, including Letchworth, are regulated to carry out non-contentious probate services.

Inheritance Tax

An additional tax-free allowance relevant to a taxpayer's home continues to be phased in. It is both means-tested and subject to restrictions, so taking advice to ensure you will be eligible is recommended.

Offshore matters

There continue to be measures taken to target tax non-compliance involving offshore aspects; including tougher penalties, better information exchange and stronger HMRC powers. Anyone concerned that they may have historic undisclosed liabilities should take advice as soon as possible.

'Green' cars

With effect from 6 April 2020, the benefit in kind charge for electric and certain hybrid cars will fall dramatically, to as low as 2% of list price on some vehicles.

Investors' Relief

This offers a Capital Gains Tax rate of 10% on the disposal of certain shares issued after 17 March 2016 and held for at least three years. These gains can now start materialising; April 2019 being the earliest that three-year threshold could be met.

Furnished Holiday Lets

HMRC have long resisted giving inheritance tax relief on furnished holiday lets, but in 2018 a taxpayer with an exceptional level of services offered succeeded with such a claim. Relief continues to be resisted by HMRC, but where service levels border on hotel or B&B levels a claim for relief may be tenable.



If you think any of these tax issues may affect you, feel free to contact your local UHY tax expert for advice.

THE NEXT STEP

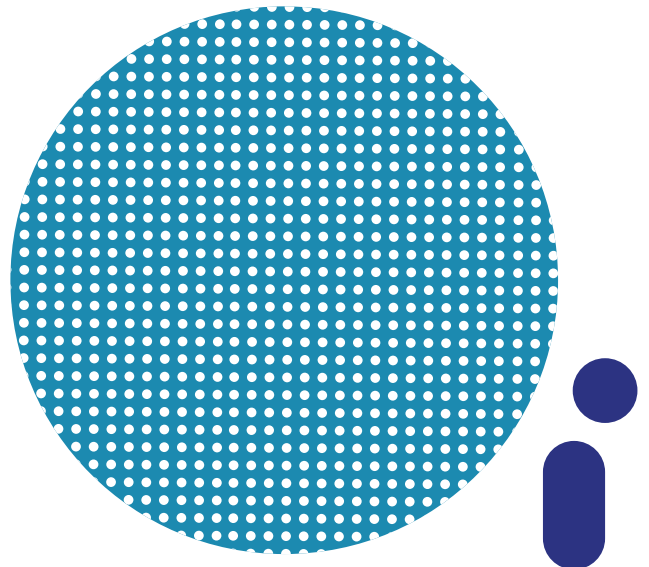
Should you wish to discuss how any of these matters may affect you, please speak to your usual adviser, or contact

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Alternatively, read more about us on our website at www.uhy-uk.com.



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