

# Capital Gains Tax reporting: UK property sales

## Changes effective from 6 April 2020

In April 2015 a 30 day Capital Gains Tax (“CGT”) reporting obligation was put on non UK residents selling UK residential property. There was widespread ignorance of this requirement leading to large numbers of late filed returns with HMRC charging penalties for non compliance.

From 6 April 2020, 30 day reporting applies much more widely, including applying to UK resident taxpayers disposing of UK residential property. With effect on property sales completing on or after Budget day (27 October 2021), the filing and payment deadlines are extended to 60 days.

Let us help keep you compliant and avoid any HMRC penalties and sanctions.

### Do I need to file within 60 days of completion?

I am a	I have sold	My CGT position is	60 day deadline?
UK tax resident	A residential property in the UK	I expect a CGT charge to arise	Yes
		The gain is chargeable to CGT but will be sheltered by my annual exemption	No
		The gain is exempt (e.g. spouse exemption/principal private residence relief)	No
		I'm not sure	Take advice
	A commercial property in the UK		No. Report on year end tax return
	A mixed property (e.g. shop plus flat) in the UK	Apportion residential/non residential element of gain. If there is CGT due on residential element	Yes
	Property in the UK, which has been or included a residential dwelling during my period of ownership, even if not at the point of sale	Apportion the residential element using day counting. If there is CGT due on residential element	Yes
Non-UK tax resident	Residential property in the UK		Yes
	A commercial property in the UK		Yes
	A mixed property (e.g. shop plus flat) in the UK		Yes
	Shares in a 'property rich company'		Yes

I am a	My CGT position is
Partner in a partnership	The partners are treated as disposing of their share of the partnership asset sold and should individually apply the above tests to their share of the gain.
Executor or Administrator	Apply the rules in the same way as an individual
Trustee of a trust	Apply the rules in the same way as an individual
Director of a company	This document is not for you – seek advice on your exposure to corporation tax

## Common terms

Term	Meaning
Disposal	A sale, gift, transfer at undervalue or deemed disposal (e.g. by trustees).
UK tax resident	An individual either UK tax resident throughout a tax year or during the UK part of a split year, both tested against the terms of the statutory residence test.
60 day reporting	The 60 day period starts with the date of completion where that takes place, and from the effective date of the transfer otherwise (e.g. on a gift).
Property rich company	A company deriving at least 75% of its value from UK land and buildings and in which the seller (and persons connected with the seller) hold at least 25% the share capital

## I need to report - what should I do?

Ideally, speak to us before completing the transaction. We can advise on your likely tax exposure and what might be done to improve matters.

If your transaction has already completed, these obligations and tax calculations can be hard to understand so we recommend taking professional advice to help with your reporting.



### The next step

If you would like further information on how the new reporting rules may affect you and to discuss how we might be able to provide guidance and support, please speak to your usual UHY contact or one of our specialists.



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