

Topical issues in personal tax

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

CGT on UK residential property

From 6 April 2024 higher rate tax on residential property disposals is reduced to 24%. Where CGT is payable, such sales must be reported to HMRC and the tax paid within 60 days of completion.

Property sales by non-residents

Where UK property (residential or otherwise) is sold by a non-UK tax resident they must report the sale within 60 days of completion regardless of whether any tax is payable. The rules extend to the sale of shares in certain companies deriving the majority of their value from UK land and buildings.

Probate services and inheritance tax

The inheritance tax nil rate band remains frozen at £325,000 until April 2028 with HMRC statistics showing IHT receipts rising from c£2.5bn in 2009/10 to c£6.1bn in 2021/22. As well as being able to advise on inheritance and other tax planning, UHY Letchworth office offers non contentious probate services on a fixed price basis.

Taxation of pension contributions

With a headline allowance of £60,000 per year of tax efficient pension saving, tapered to a minimum of £10,000 for those earning over £260,000, and with the abolition of most aspects of the lifetime limit, pension saving continues to be a popular part of regular tax planning.

Crypto assets

Income and gains from transacting in crypto assets are taxable and must be disclosed within a tax return. HMRC continue to show interest in this area and keeping good records of transactions remains important.

Electric cars

Zero emission cars continue to enjoy a benefit in kind rate of just 2%, compared to up to 37% based upon emissions for fossil fuel cars. Although road tax will become payable and BIK rates are due to increase from April 2025 to a maximum of 5% in 2028, electric cars remain a tax efficient choice for those wanting a company car.

Tax free allowance reductions

From 6 April 2024 the dividend allowance reduces to £500 and the capital gains tax annual exemption to £3,000. Whilst the savings allowance remains at £1,000 for a basic rate taxpayer, these cuts along with increases in interest rates oblige more people to make tax filings with HMRC.

High income child benefit charge

The earning bracket within which child benefit is clawed back has increased to be £60,000 to £80,000. It is estimated that an additional 180,000 couples may now be eligible to child benefit without incurring a charge.

Furnished holiday lets

At spring 2024 budget an abolition of furnished holiday let status WEF 6 April 2025 was announced. At the time of writing, details are unavailable, but a window of opportunity to lock in 10% rate capital gains on a sale seems to exist.

Reform of non-dom tax regime

The non-domiciled residents measures are set to change from 6 April 2025, with non-dom status lost after 4 years resident in the UK. Where this applies, income would be taxed on the arising basis.

The next step

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

Read more about us on our website at uhy-uk.com.



Key contacts

Graham Boar
Tax partner
+44 1462 687 333
g.boar@uhy-cambridge.com



Alison Price
Tax partner
+44 1462 687 333
a.price@uhy-cambridge.com



Nick Hailstone
Tax supervisor
+44 1462 687 333
n.hailstone@uhy-cambridge.com

UHY Hacker Young Associates is a UK company which is the organising body of the UHY Hacker Young Group, a group of independent UK accounting and consultancy firms. Any services described herein are provided by the member firms and not by UHY Hacker Young Associates Limited. Each of the member firms is a separate and independent firm, a list of which is available on our website. Neither UHY Hacker Young Associates Limited nor any of its member firms has any liability for services provided by other members. A member of UHY International, a network of independent accounting and consulting firms.

This publication is intended for general guidance only. No responsibility is accepted for loss occasioned to any person acting or refraining from actions as a result of any material in this publication. © UHY Hacker Young 2024

Helping you prosper