



Capital Gains Tax For Property

1) An individual, or a trustees or a personal representatives etc who sell a house or flat and makes a capital gain on which CGT is payable (i.e. not fully covered by MRR and the CGT annual exemption), must report the gain and pay the CGT due within 60 calendar days of the completion of the sale of the property. This is the so called new '60 day CGT pay and file regime'

2) It only applies to residential property, not commercial. The relevant tax legislation is contained within Schedule 2, Finance Act 2019.

3) This new regime is not applicable to companies,

4) You only have to pay and file a 'property return' within 60 days of completion if CGT is actually payable on the gain. If no CGT is payable, then no CGT pay and file.

However, non-UK residents must declare disposals from 6th April 2020 under the new regime, regardless of whether a chargeable gain arises or not.

5) You have to open up a new 'property account' to report the capital gain, using the CGT on UK property service. You then have to authorise me to report the gain on your behalf. To do this you need a gateway account.

6) If the gain is fully covered by the CGT MRR and the annual CGT exemption, then no CGT pay and file is needed (for UK residents).

7) This will mainly affect UK individual landlords selling UK buy to let houses and flats.

8) If you were to sell say a sports shop, with a rented flat above it, you would have to apportion the gain. It's only the gain on the flat that comes within the 60 day CGT regime.

9) This also applies to the disposals of second homes and relevant domestic property capital gains not fully covered by MRR, and other CGT exemptions.

10) There will be penalties for late filing and interest for late payment.

11) This new CGT reporting regime is in addition to declaring the gain on the normal self-assessment return, not instead of.

12) If a self-assessment tax return has been filed, but the appropriate and necessary property return has been missed and not submitted, the property return must be filed on paper. In view of the above, you must warn your clients now (if you have not already done so) of this new CGT regime.

If you sell the property you have been renting out you need to let us know.

The information required will be Purchase date and cost, Sale date, if you ever lived in it the dates.

If you sell a 2nd property the rate of CGT is 18% if you are a basic rate taxpayer.

This new CGT return must include a declaration that the CGT liability has been calculated to the best of the taxpayer's knowledge at the filing date