

Draft Finance Bill 2018-19 Shortening Tax Deadlines for Payments of Capital Gains Tax and Stamp Duty Land Tax

The UK Government published the draft Finance Bill 2018-19 on 6th July 2018 proposing new deadlines for payment of Capital Gains Tax (“CGT”) and Stamp Duty Land Tax (“SDLT”) upon disposal of residential property.

In accordance with the draft legislation CGT arising on the disposal of a residential property will now need to be paid within 30 days of completion. The rules will apply to disposals made on or after the 6th April 2020. Payment of CGT arising from all gains made from UK property disposals by non-resident persons will apply from 6th April 2019. Their disposals will also be subject to the 30 day deadline.

The deadline for SDLT payments has also been reduced and payment will need to be made within 14 days of the effective date of the transaction as opposed to the current 30 day period. This will apply to transactions made on or after the 1st March 2019.

Currently late submission of an SDLT return means a penalty of either £100 or £200. Under the new rules late submission means that interest is payable from the day after the deadline until the date of actual payment.

Law firms regularly submit returns on behalf of their clients and will need to be alive to these changes.

The formal consultation on this bill is open until 31st August 2018.

If you have any concerns or queries, please contact a member of the Rooks Rider Solicitors' Wealth Planning & Real Estate Teams.



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