



Reporting Capital Gains on UK residential property disposals within 60 days of completion

- + Chartered Accountants
- + Tax Specialists
- + Business Advisers

Applicable to: UK Resident individuals, trustees and personal representatives

HM Revenue & Customs require online reporting and payment of Capital Gains Tax (CGT) on the disposal of UK residential property within 60 days of completion.

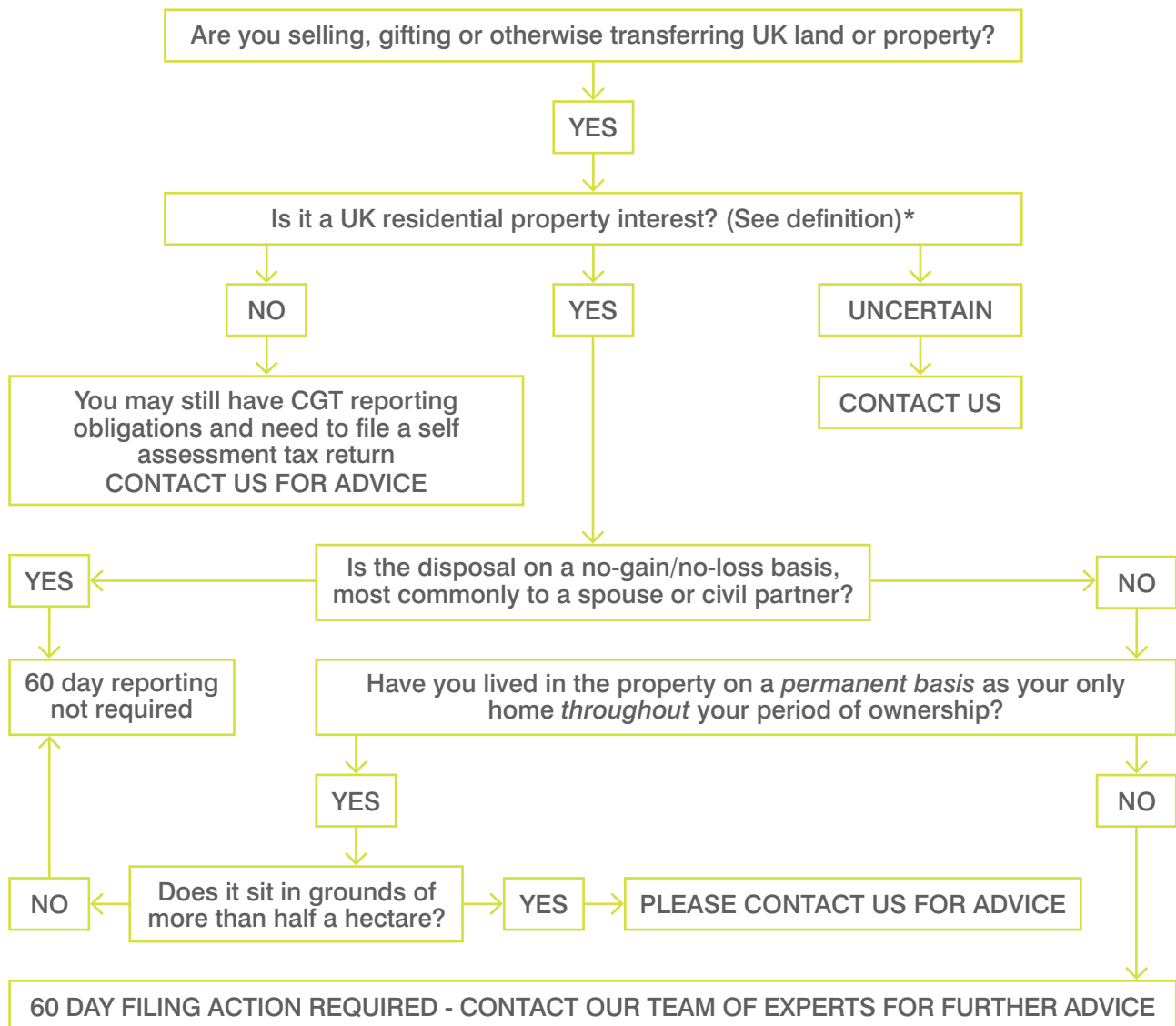
60-day reporting is not required where the disposal is on a no-gain, no-loss basis (most commonly between spouses or civil partners) or where there is no CGT to pay because of the availability of reliefs such as private residence relief or annual exemption. Since 6 April 2020, legislation reduced the final period exemption for private residence relief from 18 to 9 months and with effect from 6 April 2023 the CGT annual exemption reduced to £6,000 (£3,000 for trusts). As a result, the incidence of reportable gains can be expected to increase.

The calculation of CGT chargeable ignores later disposals in the same year and gains on disposals that are not subject to 60 day reporting, but allows capital losses realised previous to the disposal in question to be taken into account. Therefore, where there are assets to be disposed of at a loss, the timing should be considered so as to benefit cash-flow where relevant.

The legislation allows for the making of assumptions and reasonable estimates to enable timely reporting (in determining the rate of tax at 18% or 28% for example which requires estimation of the taxable income for the year). However, penalties for non-compliance and late reporting are significant.

We would recommend that you consider your reporting obligations at an early stage so that any queries can be resolved well before completion, which triggers the 60 day filing submission window, takes place.

Guidance pathway



Information to assist with CGT reporting requirements:

- + Original cost or market value at which you acquired the property.
- + Incidental costs of acquisition (e.g. solicitors fees).
- + Details of any expenditure on enhancing the property.
- + Details of your taxable income for the current tax year (year ending 5th April).
- + Details of any capital losses.
- + Details of any earlier 60 day reporting in the current tax year.
- + A history of the property's occupation during your period of ownership where it has at any time been your home.
- + In the case of disposal of a garden plot, details of both the area of land sold and that retained.

*** Definition: A residential property gain accrues on the disposal of an interest in land:**

that consisted of or included a dwelling;

that subsisted for the benefit of land that consisted of or included a dwelling; or

that subsisted under a contract for the acquisition of land consisting of or including a building that is to be constructed or adapted for use as a dwelling. (TCGA1992 Sch 1B 3)

*** Definition: A dwelling is a (non-institutional) building that is:**

used or suitable for use as a dwelling; or

is in the process of being constructed or adapted for use as a dwelling and includes land that at any time is, or is intended to be, occupied or enjoyed with a dwelling as a garden or grounds (including any building or structure). (TCGA1992 Sch 1B 5)

How M+A Partners can help you comply with this new legislation

We will provide you with a fixed price quote for dealing with the 60 day CGT reporting. This fee will be dependent on the information collated in order to formulate the CGT calculation and prepare and submit the report to HMRC.

Our fee quote will be fixed once the work needed is determined, giving you certainty over the cost of complying with this legislation and reporting regime.

Our Fees

Our fees start from £840 (including VAT) per report for a straight-forward transaction. Disposals which require special consideration include the following situations:

- + Property partly used as residential.
- + Property in shared ownership.
- + The disposal of garden plots.
- + Property that has been your main residence at some point during ownership.

Fees for reporting these transactions will be quoted on a bespoke basis depending on the complexity of the position and the availability of information.

Contact us

This is a brief summary, for further information or for a fixed fee quote, please contact our experts:

Clare Goodswen - Partner

Tessa Morgan - Director of Private Client Services

Sam Holloway - Senior Tax Manager

We offer free initial consultations.



Clare Goodswen
Partner

☎ 01603 227600

✉ clare.goodswen@mapartners.co.uk



Tessa Morgan
Director of Private Client Services

☎ 01603 227600

✉ tessa.morgan@mapartners.co.uk



Sam Holloway
Senior Tax Manager

☎ 01603 227600

✉ sam.holloway@mapartners.co.uk



M+A Partners has been helping clients to grow their businesses and achieve their ambitions for over a century - and we're immensely proud of our history.

We are a forward-looking firm with an emphasis on innovation, new technology and finding pioneering ways to give our clients the best possible service.

Our Norfolk-based firm is led by nine partners who are some of the most high-profile and well-respected experts in their fields locally, supported by a talented team of over a hundred staff.

We have a well-earned reputation for building excellent relationships with clients and the wider business community. That has always been, and continues to be, our number one priority.

MA Partners LLP

7 The Close Norwich Norfolk NR1 4DJ

2 Cyprus Court Queens Square Attleborough Norfolk NR17 2AE

12 Church Street Cromer Norfolk NR27 9ER

☎ 01603 227600

✉ enquiries@mapartners.co.uk

mapartners.co.uk



[mapartnersuk](https://www.youtube.com/channel/UCv33333333333333333333)

Disclaimer We believe the information herein to be correct at the time of going to press, but we cannot accept any responsibility for any loss occasioned to any person as a result of action or refraining from action as a result of any item herein. **June 2023** Printed and published by © MA Partners LLP. M+A Partners is the trading name of MA Partners LLP and MA Partners Audit LLP, which are limited liability partnerships. A list of members may be inspected at our registered office: 7 The Close, Norwich, NR1 4DJ. The term "partner" is used to refer to a member of MA Partners LLP or MA Partners Audit LLP. MA Partners LLP is regulated for a range of investment business activities and licensed to carry out the reserved legal activity of non-contentious probate in England and Wales by the Institute of Chartered Accountants in England and Wales. MA Partners LLP is registered in England and Wales (LLP number OC 361855). MA Partners Audit LLP is registered to carry on audit work in the UK and Ireland by the Institute of Chartered Accountants in England and Wales. MA Partners Audit LLP is registered in England and Wales (LLP number OC 427003).