



Capital Gains Tax

So you've just sold or are about to sell a house and are not sure if you may be liable for a Capital Gains Tax Bill!

The key to deciding whether you have a Capital Gains tax liability is the length of time you have owned the property and if you ever lived in the house as your main residence. I have produced this simple guide to help:

- It's my main residence throughout ownership.

The chances are there will be no tax to pay when you sell the house if it was your only or main residence.

- I worked abroad and rented out the house while I was away.

If you returned to this house after being abroad you are unlikely to have a Capital Gains tax bill, however you should be reporting any rental profit whilst away. If you returned to live in a different property whether owned or rented you may be liable for Capital Gains Tax and should seek advice.

- I am selling a property I rent out.

You are likely to have a Capital Gains Tax Bill based on the increase in value of the property whilst you owned it.

- I moved to a new property but kept the original house and am now selling it.

You may be liable for Capital Gains Tax and will need to seek advice unless the move was job related.

- What Tax reliefs can I claim?

You are entitled to tax relief connected with selling your only or main residence. You may also be entitled to tax relief if you rented out a property which at some point was your main residence.

- If I am liable when do I pay my Capital Gains Tax Bill?

From April 2016 the time to pay a Capital Gains Tax bill to HMRC was shortened to 30 days from when the sale occurred.

- I'm selling a holiday property.

A furnished holiday let qualifies for a special rate of Capital Gains Tax. However, you need to be sure the accommodation qualifies as an official 'Furnished Holiday Let'.

Please seek advice to ascertain this. Even if you may not be required to pay CGT on the disposal of a property you might still need to report the sale to HMRC in your Personal Tax Return.

This guide covers some key situations but it is advisable to always seek advice regarding your circumstances

If you think you might be liable for a Capital Gains Tax Bill and would like an estimated calculation please contact me – **Graham Carson** on 01235 868888 or email: gcarson@incauk.biz

I can prepare a quick estimate based on your circumstances for a fee of £70 + VAT

