



## New payment and reporting deadlines for Capital Gains Tax (CGT)

The way CGT has to be paid, and returns filed, has changed for individuals, trusts and personal representatives where they dispose of a UK residential property.

- A CGT return has to be filed and the related tax paid **within 60 days of completion**.

The return has to be made in a digital format using HMRC's online service. If the taxpayer is in the self-assessment regime the online return still needs to be filed within 60 days and then declared as usual on the self-assessment tax return. Any overpayments of CGT can be reclaimed by way of the self-assessment tax return or an amendment to the online return.

Where capital losses on disposal arise, the gain is below the Annual Exemption, or the sale of the sale of residential property qualifies for the private residence relief, then the transaction does not need to be reported.

### What is residential property?

Buildings that are suitable for use as a dwelling, including includes land that is used or intended to be used with a dwelling, is considered to be residential property. There are some exceptions such as certain nursing/care homes, purpose built student accommodation, hotels and holiday lets, but the characteristics of the property to be disposed needs to be reviewed and will depend on the facts. Where mixed-use property is being disposed of, an appropriate apportionment of the gain will have to be made and the residential part reported.

Filing penalties and late payment interest will apply.

### Non-resident owners

Non-resident individuals, personal representative of a non-resident who has dies, non-resident trustees, non-resident partnership, non-resident landlord have to file and pay the CGT within the 60 day period on disposal of **all** UK property and land . A return will need to be filed even if no CGT is expected arise. The non-resident filing requirements apply to a greater range of disposals including direct disposals of all UK property and indirect disposals of all UK property including interest in a property-rich entity.

Non resident companies report under the corporate tax rules.

Contact us should you require advice and assistance do contact Viraj Mehta, Tax Partner,  
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