

## HMRC bring forward payment date for CGT on residential property: what this means for taxpayers



HMRC are bringing forward the payment date for capital gains tax liabilities arising on gains made on the disposal of residential property, whether by way of sale, gift or transfer into or out of a trust.

Currently, the payment date for capital gains tax is 31 January following the end of the tax year in which the gain arises, i.e. between 10 and 22 months after the disposal takes place.

For disposals of residential property completing after 5 April 2020, this payment date is being brought forward so that any capital gains tax will be payable within 30 days of the disposal completing. A special payment on account return will also need to be filed with HMRC at the same time. Penalties and interest will be charged if the 30 day deadline is missed.

Individuals, trustees and personal representatives disposing of residential property will need to have the sales details, or valuations at the date of disposal if the disposal is by way of a gift, as well as the historical acquisition costs and enhancement expenditure readily to hand in order to meet the 30 day deadline.

These changes will apply to both UK and overseas properties as well as properties where the capital gain is not fully covered by main residence relief. However the rules for this relief are complex and advice should be sought as to whether the relief applies in full and what filing requirements apply. Special rules will apply to calculate the capital gain for the purposes of making the payment on account.

The disposal will still need to be reported on the taxpayer's annual self-assessment tax return.



The Cripps team is well equipped to streamline this process. The [property](#) team can manage your conveyance and the [private client](#) team can provide help with calculating the capital gain and reporting to HMRC.



[Vikki Logan](#)

Tax Manager