

Calculated

The Property Tax Specialists

Newsletter

April 2022

Inheritance Tax Planning

Careful Inheritance Tax planning will ensure you minimise your estates exposure to tax and in turn maximise the amount you can pass on to your loved ones.

Jagrup Lewis, one of our experienced tax consultants explores the commonly asked question:

Should I Transfer the family home to my Children to avoid Inheritance Tax?

Prior to the introduction of the Main Residence Nil Rate Band in 2018 which has now been fully phased in and is worth £175K per individual, there were not many incentives to gift the family home to your children in your lifetime.

If you gift the family home and die within 7 years, some or potentially all the value of the home could be brought back into your estate for Inheritance Tax purposes, and you will not be entitled to the additional £175K main residence relief.

This means that in some circumstances you could be worse off from an inheritance tax perspective by making the gift.

There are a few ways of passing the value in your family home to your children in your lifetime and retaining the Main Residence Nil Rate Band, such as releasing equity and making a gift of the cash.

As long as you survive 7 years, the gift will be out of your estate for IHT purposes, and you will have created a debt on your estate which will reduce your IHT liability.

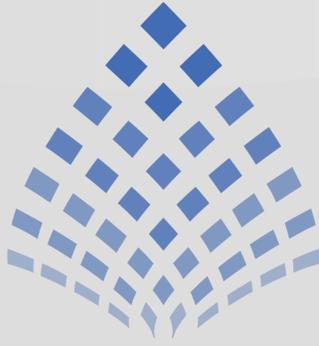
It is important to consider your Inheritance Tax position on gifts and ensure that you retain and utilise all of your Inheritance Tax allowances.

If you would like to understand your Inheritance Tax position and look at ways of reducing the Inheritance Tax burden, then please get in touch and book one of our Inheritance Tax Consultations

Inheritance Tax Planning Consultation – 50% off Expires Sunday use code IHTC50

Book now at www.calculateduk.com

for a comprehensive Inheritance Tax Consultation for only £250 + VAT, a saving of 50% **



Calculated

The Property Tax Specialists

Client Referral Reward – Receive a £50 M&S Gift Voucher

Did you know if you refer a friend or colleague, you will receive a thank you from us in the form of a £50 M&S Gift Voucher?

The referral can be for any paid engaged Service or Consultation. Ask them to mention your name in an email to us at tax@calculateduk.com or on the Consultation booking at www.calculateduk.com

HMRC ATED Filing Deadlines – Ltd Company with a Dwelling Valued at £500,000 or more?

Annual Tax on Enveloped Dwellings. Returns for the 2022-23 tax year must be submitted on or after 1 April and by the 30 April 2022.

There are reliefs and exemptions from the tax, which may mean you do not have any tax to pay. Get in touch with your Accountant if you need to update your property values or have purchased a new property and the value is £500,000+

TAX TIPS

- Mortgage arrangement and broker/valuation/legal fees in respect of re-mortgage or getting finance are allowable as a cost of finance? Keep your invoices.
- If you earn over £100k PA consider salary sacrifice or pension contributions to ensure your personal allowance is not reduced
- Remember to include any grants and SEISS in your 21-22 tax year income
- Company Mobile Phone: Your company can provide one mobile telephone to each employee/director of the company without incurring any benefit in kind to the employee.

News and General Tax Updates

You can find the latest newsletters and information from Calculated on our website:

[Newsletters](#)

We will let you know about tax changes and deadlines which will affect you, but to receive regular updates from us on the latest from HMRC, please register [here](#).

As always, we are here to provide advice on all your tax queries. If you have any questions drop us an email or call us.