
Capital Gains Tax Bulletin

Residential Property Sales (from 6 April 2020)

(Excluding Principal Private Residence)

From 6 April 2020 if there is any Capital Gains Tax due on the disposal of a residential property, a new standalone online return will need to be filed with HM Revenue & Customs within 30 days of the date of sale. The Return will include a provisional calculation of the tax due and the payment of this tax calculated will also be due within 30 days of the sale of the property.

The capital gain will still need to be recorded on your Self Assessment Tax Return at the end of the tax year and any under or overpayment of the capital gains tax will be dealt with at this point. If you have overpaid any capital gains tax this will be repaid to you, after you have submitted your Tax Return.

Please be aware that an attempt to get around the rules with arranging an exchange of contracts on or before 5 April 2020 with a completion date after 6 April 2020 (on the basis that the capital gains tax arises based on the date of exchange) this will not result in an extension in time to make the capital gains tax payment. Whilst the taxpayer's Self Assessment Return for 2019/20 will need to include details of the disposal, as the capital gains tax is reported based on the date of exchange of contracts, but the payment on account itself will be due within 30 days of the completion date.

At the current time it also appears that agents are not able to report any capital gain using the real time reporting system. This will require any individual making a sale of a residential property (that falls within the reporting rules) to apply for their own Personal Tax Account. Late filing and late payment penalties along with interest will be applied.

Please do not hesitate to contact us should you have any queries.

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