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SIMPLE WAYS TO REDUCE CAPITAL GAINS TAX

Call us on
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1 ENTREPRENEUR'S RELIEF

If you qualify for Entrepreneur's Relief, it can reduce your CGT to 10% from the standard rate when you dispose of qualifying business assets. It's available to individuals owning at least 5% of the company for the previous twelve months.

2 INVESTOR'S RELIEF

Like ER, IR has a lifetime cap of £10 million, but applies to gains made on disposal of investments in ordinary shares.

3 EIS/SEIS

Though high risk, EIS & SEIS schemes offer double relief from CGT. Investments qualify for roll-over relief and in the case of SEIS, a 50% exemption from CGT. Any gain on these investments is free from CGT on disposal.

4 ROLLOVER RELIEF

A company or individual can defer CGs made on the disposal of a business asset by investing the proceeds into the cost of acquiring a new asset.

5 INCORPORATION RELIEF

Available to individuals upon transferring a business into a company. The gain on the disposal of a business and its assets is subtracted from the base cost of the shares from the new company.

6 TRANSFER AN ASSET

Spouses & civil partners each have their own Capital Gains allowance. Transfers to a spouse or civil partner must be a genuine gift. There are some traps when it comes to property so always consult your accountant.

7 LIVING IN LET PROPERTY

If you are letting out a property, you could potentially reduce the Capital Gains tax bill when you come to selling it by ensuring that you lived in the property for a time before letting it out.

8 GET THE TIMING RIGHT

Your tax-free allowance for capital gains tax is lost if not used. So get it working for you now.