



ATED Update for UK Properties and Filing Deadlines

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## ATED Update for UK Properties and Filing Deadlines

### Overview

The Autumn Statement which was presented on 3 December and the subsequent draft legislation issued on 10 December have made some noteworthy changes to the ATED regime with regard to the taxation of UK residential property. These changes are detailed below.

### Revised ATED Charges

Despite only setting the level of the ATED charges in 2013 and then legislating for only an annual inflationary increase in those charges, the Chancellor of the Exchequer has now decided to increase the ATED charge, from 2015/16, by a figure of 50% plus inflation.

Therefore the new ATED charges which are to apply from 1 April 2015 are the following:

Property Value	2015/16 Charge
More than £2m up to £5m	£23,350
More than £5m up to £10m	£54,450
More than £10m up to £20m	£109,050
More than £20m	£218,200

As mentioned in prior briefings, ATED will also apply to UK residential properties, held in chargeable arrangements, where the market value of a property was greater than £1 million as at 1 April 2012. The charge will be £7,000 and will apply from 1 April 2015. Similarly a charge of £3,500 will accrue from 1 April 2016 for a chargeable property with a market value in excess of £500,000 as at 1 April 2012.

### Relief Declaration Return

The second change is that the ATED administrative burden is being reduced slightly. It is proposed that, from 1 April 2015, a new type of return known as a relief declaration return is to be used by those persons owning properties eligible for relief from ATED. For each type of relief being claimed a relief declaration return must be filed in respect of one or more properties held in the period. No details will be required of the individual properties eligible for that relief. This is different from the current regime in which information and valuations on all relevant properties is provided to HMRC.

### ATED Return and Payment Deadlines during 2015

#### 30 April 2015

There is a filing deadline of 30 April 2015 for ATED returns in respect of qualifying UK residential properties worth in excess of £2 million as at 1 April 2012. Any ATED payment thereon is also due on 30 April 2015.

SMP will shortly be contacting clients that have existing ATED obligations in order to arrange timely payment and filing of the ATED returns.

#### 1 October 2015

A filing deadline of 1 October 2015 will apply for ATED returns for qualifying UK residential property worth between £1 million and £2 million (as at 1 April 2012).



31 October 2015

An ATED payment deadline of 31 October 2015 applies for qualifying UK residential properties worth between £1 million and £2 million.

For existing clients with qualifying UK residential property, SMP will be conducting an exercise during 2015 to assist in the meeting of the ATED return and payment obligations which will arise in October 2015.

It is important to note that residential investment properties let to unconnected third parties are not subject to annual ATED or ATED-related capital gains tax, but they will be subject to the new capital gains tax for non-residents.

SMP can advise on all aspects of UK residential property ownership and will be pleased to discuss the suitability of existing arrangements or to discuss structuring for prospective acquisitions for you or your clients.

Please contact your usual SMP adviser or a tax adviser listed below for further information and details.

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