

# Tax Day 2021

## The Spring Budget on 3 March was not the end of the taxing story.

The run up to the March Budget was accompanied by much press speculation about changes to capital gains tax (CGT), inheritance tax (IHT) and pension tax relief. The first two had been the subject of reports from the Office of Tax Simplification (OTS) while the Treasury has issued a consultation paper on the third. When Budget Day arrived, the trio received almost no mention from the Chancellor.

Attention then turned to 'Tax Day' – 23 March – when the Treasury had promised to publish a raft of documents that in earlier years would have come out alongside the Budget. The delay was designed to allow for more transparency and scrutiny by tax professionals. Once again, there was disappointment at what was missing. However, some indications of the direction of travel emerged from more than 30 sets of consultation papers, calls for evidence, summaries of responses and other documents issued on 23 March:

- **Inheritance tax:** From 1 January 2022, IHT tax return procedures will be simplified so that “over 90% of non-taxpaying estates” will no longer have to complete IHT forms when probate or confirmation is required. If you have ever been involved in completing such paperwork, you will appreciate how much time this will save many executors.
- **Holiday lets:** It has become increasingly common to classify holiday lets as being subject to business rates, often with the consequence that Small Business Rates Relief meant no rates were payable. This loophole is to be closed, with account taken of the actual number of days a property is rented when determining the rate bill.
- **Timely payments:** One of the features of tax policy in recent years has been an acceleration of when tax becomes payable – the recent changes to CGT on residential property were a classic example. Under the heading of 'timely payments', the Treasury is beginning “...to explore the opportunities and challenges of more frequent payment of income tax within Income Tax Self Assessment, and of corporation tax for small companies, based on in-year information”.

The absence of any major announcements on CGT, IHT and pensions could mean these will appear in the autumn Budget, leaving a window of planning opportunities until then.

*The value of tax reliefs depends on your individual circumstances. Tax laws can change. The Financial Conduct Authority does not regulate tax advice.*

### Important information:

This document is marketing material. This document is provided by the author and may not necessarily represent views expressed in other Aspect8 communications, strategies or funds. The material is not intended as an offer or solicitation for the purchase or sale of any financial instrument. The material is not intended to provide and should not be relied on for accounting, legal or tax advice, or investment recommendations. Reliance should not be placed on the views and information in this document when taking individual investment and/or strategic decisions. Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of any overseas investments to rise or fall. The sectors, securities, regions and countries shown above are for illustrative purposes only and are not to be considered a recommendation to buy or sell. All investments involve risks including the risk of possible loss of principal. Information herein is believed to be reliable but Aspect8 does not warrant its completeness or accuracy. Reliance should not be placed on the views and information in this document when taking individual investment and/or strategic decisions. Some information quoted was obtained from external sources we consider to be reliable. No responsibility can be accepted for errors of fact obtained from third parties, and this data may change with market conditions. This does not exclude any duty or liability that Aspect8 has to its customers under any regulatory system. Regions/sectors shown for illustrative purposes only and should not be viewed as a recommendation to buy/sell. This content is issued by Aspect8 Limited, Holmwood House, Broadlands Business Campus, Langhurstwood Road, Horsham, West Sussex, RH12 4QP. Registered No. 07572431. Authorised and regulated by the Financial Conduct Authority, FCA no. 227247.