
From:
Sent: 04 June 2014 16:00
To: zzHMRC_TaxTeam, CapitalGains
Subject: Consultation on Non Residents

Dear Sirs

I refer to the consultation document "Implementing a capital gains tax on non-residents" and my response is as follows:

1. Many non-residents who own property in the UK (both individuals and companies) are already registered with HMRC under the Non Residents Landlord Scheme and are annually filing Tax Returns. In these circumstances and in response to Question 16 it seems reasonable that such Non Resident Landlords should rank parri passu with UK taxpayers and declare capital gains within the annual Tax Return and file Tax Returns within the same filing dates and pay any Capital Gains Tax at the same time as UK taxpayers. This would ensure fair treatment for Non Resident taxpayers.

Also in connection with Question 16, it is considered unreasonable to ask non residents (who are not already filing annual Tax Returns) to submit final computations within 30 days. (It is assumed that 30 days is from date of completion of the sale but the Consultation document is not clear from when the 30 days starts.) The property may have been owned for a considerable amount of time and apart from the initial cost of purchase, there may well be other costs incurred during the period of ownership such as the cost of lease extensions and capital improvement costs. It will take time to gather all the information and it is strongly suggested that 90 days is considered to be reasonable and fair.

2. The Consultation document is silent as to the method of calculation of the gain. It is noted that only gains arising from 5 April 2015 will be taxed which avoids any form of retrospective taxation and it is recommended that the method used in calculating the taxable gain should be Time Apportionment (i.e. Total gain apportioned for period from 06/04/15 to date of sale). This will be simple to implement, be on the same basis as UK taxpayers and avoid the necessity (and cost to the non resident) of having a valuation at 6 April 2015. Such valuations can be difficult and valuers would no doubt be under pressure to give as high a valuation as possible which would be disadvantageous to H M Treasury.

Yours sincerely

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