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## **Owners of residential property in the UK need to be aware of the new reporting and tax payment deadlines**

From 6 April 2020 UK residents who sell a residential property that gives rise to a capital gains tax (CGT) liability must send a new standalone online return to HMRC and pay the tax due within **30 days of completion of the sale**. The new filing and payment timeframe is different from the current position where taxpayers have until the Self-Assessment tax deadline of 31st January after the tax year in which the disposal is made, to complete a tax return and pay the CGT.

This is a significant change and property owners need to be alert to the fact that they should be seeking advice regarding the reporting and tax payments in connection with a property sale as soon as a property disposal looks likely.

The fact that the return needs to be made online requires taxpayers to have a Government Gateway Account to either self-assess the gain or appoint an agent to do it for them.

The new rules only apply to UK residential properties; and an online return and tax payment will only be required where there is a chargeable gain.

Property owners of second properties and buy-to-let investments will need to ensure that the relevant information is at hand to assist in calculating any tax due.

Private residence relief is still available for your own main residence, but if there have been any periods in which the property was not your main residence, you need to check your position.

You will be required to make a reasonable estimate of the tax payable. You will need to bear in mind that the current rates of CGT are variable (18% or 28%) dependent on the level of your other income in the year.

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