

ATED was introduced on 1 April 2013 and it applied to properties valued at more than £2 million. It may have been viewed as a tax that only applied to high value properties controlled by wealthy individuals. Indeed, in its first year, 89% of the 4,000 properties subject to the tax were located in London (mainly in the local authorities of Westminster and Kensington and Chelsea).

The government extended the range by lowering the threshold at which the tax applies and this will bring many more properties throughout the country within the scope of the charge. From 1 April 2016 ATED applies to properties valued between £500,000 and £1million.

The annual tax charge for these properties will be £3,500 for 2016/17 and is due by 30 April 2016, along with the submission of the ATED return.

If your company owns a full or shared interest in a residential property, you should check to see whether your company's property would be valued above £500,000 as at 1 April 2012 (or acquisition if later). Speak to your Property Valuer to obtain a professional valuation. It is possible to ask HMRC for a Pre-return banding check to determine whether the property falls below the £500,000 threshold.

If your company's property is above the threshold, consider whether you can claim one of the reliefs available. Relief may be claimed for:

- Property rental businesses
- Property developers
- Property traders
- Farmhouses
- Occupation by certain employees or partners
- Dwellings open to the public
- Financial institutions acquiring dwellings in the course of lending
- Providers of Social housing

It is important to note that even if one of the above reliefs applies and there is no tax due, a return making the claim must still be submitted by 30 April 2016.

If you do not qualify for one of the reliefs now, you may still have time to arrange your affairs so that you do qualify before 1 April 2016. If relief is available for the full year from 1 April 2016, then no tax is payable; If the relief is only available for part of the year then the tax is reduced for the proportion of the year covered by the relief. Beware, the rules for claiming the relief should be checked closely. For example, a property would not qualify for the property rental business relief if you control a company and it rents a property to:

- a. You
- b. your spouse or civil partner,
- c. a member of your family
- d. a member of your spouse's or civil partner's family
- e. a spouse of c or d above .

If you are unable to claim a relief, you may consider whether to de-envelope the property, which means taking it out of the company. A property held by an individual or a group of individuals is not subject to ATED. The property could be

- Transferred into your name before 1 April 2016. The transfer would be deemed to be at open market value and the chargeable gain in the company will be subject to Corporation Tax at a 20%
- Sold to a third party with the chargeable gain in the company will be subject to Corporation Tax at a 20%

It would be timely to consider your options. You will need to plan enough time not only to make your decision, but also to allow time for implementing any changes arising from your decision.

#### **Find out more**

For further information, advice and guidance please contact one of our specialists:

Adrian Pepper – Senior Manager

Telephone 01553 774745

Email [adrianpepper@whitingandpartners.co.uk](mailto:adrianpepper@whitingandpartners.co.uk)

Catherine Hubbard - Tax Manager

Telephone 01284 752313

Email [catherinehubbard@whitingandpartners.co.uk](mailto:catherinehubbard@whitingandpartners.co.uk)

This is a general illustrative guide only and individual professional advice should be obtained on specific issues. Information is believed correct at time of publication but may alter.

**Bury St Edmunds Office**

Greenwood House, Greenwood Court  
Skyliner Way  
Bury St Edmunds  
Suffolk  
IP31 7GY  
Telephone: (01284) 752313  
E-mail: [bury@whitingandpartners.co.uk](mailto:bury@whitingandpartners.co.uk)

**Chatteris Office**

Suite L22, South Fens Business Centre  
Fenton Way  
Chatteris  
Cambridgeshire  
PE16 6TT  
Telephone: (01354) 694111  
E-mail: [chatteris@whitingandpartners.co.uk](mailto:chatteris@whitingandpartners.co.uk)

**Ely Office**

George Court  
Bartholomew's Walk  
Ely  
Cambridgeshire  
CB7 4JW  
Telephone: (01353) 662595  
E-mail: [ely@whitingandpartners.co.uk](mailto:ely@whitingandpartners.co.uk)

**Godmanchester Office**

The Old Bakery,  
49 Post Street,  
Godmanchester,  
Huntingdon,  
Cambridgeshire,  
PE29 2AQ  
Telephone: (01480) 455575  
E-mail: [godmanchester@whitingandpartners.co.uk](mailto:godmanchester@whitingandpartners.co.uk)

**King's Lynn Office**

Norfolk House  
Hamlin Way  
Kings Lynn  
Norfolk  
PE30 4NG  
Telephone: (01553) 774745  
E-mail: [kingslynn@whitingandpartners.co.uk](mailto:kingslynn@whitingandpartners.co.uk)

**March Office**

The Old School House  
Dartford Road  
March  
Cambridgeshire  
PE15 8AE  
Telephone: (01354) 652304  
E-mail: [march@whitingandpartners.co.uk](mailto:march@whitingandpartners.co.uk)

**Mildenhall Office**

Willow House  
46 St Andrews Street  
Mildenhall  
Suffolk  
IP28 7HB  
Telephone: (01638) 712267  
E-mail: [mildenhall@whitingandpartners.co.uk](mailto:mildenhall@whitingandpartners.co.uk)

**Peterborough Office**

Eco Innovation Centre  
Peterscourt  
City Road  
Peterborough  
PE1 1SA  
Telephone: (01733) 564082  
E-mail: [peterborough@whitingandpartners.co.uk](mailto:peterborough@whitingandpartners.co.uk)

**Ramsey Office**

108 High Street  
Ramsey  
Huntingdon  
Cambridgeshire  
PE26 1BS  
Telephone: (01487) 813731  
E-mail: [ramsey@whitingandpartners.co.uk](mailto:ramsey@whitingandpartners.co.uk)

**St Ives Office**

Raleigh House  
14C Compass Point Business Park  
St Ives  
Cambridgeshire  
PE27 5JL  
Telephone: (01480) 468931  
E-mail: [stives@whitingandpartners.co.uk](mailto:stives@whitingandpartners.co.uk)

**St Neots Office**

14 Eaton Court Road,  
Colmworth Business Park,  
Eaton Socon,  
St Neots,  
Cambridgeshire,  
PE19 8ER  
Telephone: (01480) 470755  
E-mail: [stneots@whitingandpartners.co.uk](mailto:stneots@whitingandpartners.co.uk)

**Wisbech Office**

12 & 13 The Crescent  
Wisbech  
Cambridgeshire  
PE13 1EH  
Telephone: (01945) 584113  
E-mail: [wisbech@whitingandpartners.co.uk](mailto:wisbech@whitingandpartners.co.uk)