From:
Sent: 25 June 2014 09:48
To:

Subject: FW: Scope of Capital Gains Tax for Non-Residents - response from

From:
Sent: 01 April 2014 11:01
To: TaxTeam, CapitalGains (CAR Capital Gains)
Subject: Re: Scope of Capital Gains Tax for Non-Residents

Dear

Thank you for your very swift reply and the confirmation that the pre April 2015 gains would not be taxed.

Ever since the Autumn Statement announcing the the new Capital Gains Tax for non-residents, there has been widespread expectation that the gains pre April 2015 would not be taxed, and the implementation would require some form of rebasing down through valuation of the property as at April 2015.

My view on this issue is that the neatest and fairest way would be to rebase to April 2015 by means of a market valuation of the capital value of the property in April 2015. The onus should be put on the owners to get the proper valuation done and keep the proper records. For owners who fail to do the valuation, I would suggest that the straight-line apportionment be applied to their cases.

It would be useful to know when the UK Government would make a decision on the issue of rebasing to April 2015.

Regards

On Tue, Apr 1, 2014 at 5:30 PM, <capitalgains.taxteam@hmrc.gsi.gov.uk> wrote:

Thank you for your email. There is no intention to tax pre April 2015 gains simply because the disposal is after the implementation date.

No decision has been made as to whether this will be achieved through 'rebasing' to April 2015; or something similar such as a straight line apportionment for gains pre and post the implementation date.

Regards

From:
Sent: 01 April 2014 02:06
To: TaxTeam, CapitalGains (CAR Capital Gains)
Subject: Scope of Capital Gains Tax for Non-Residents

Dear Sir/Mdm,

We refer to your recent consultation document - Impementing a capital gains tax charge on non-residents.

Reading through the consultation document, we are not clear as to the scope of the proposed capital gains tax charge on non-residents.

In particular, will the gains be computed based on

1) Sales price minus the valuation of the property as at 1st April 2015

2) Sales price minus the original purchase price of the property (date could be before 1st April 2015).

To give another concrete example, consider a property transaction by a non-resident as follows:

Date of Purchase 1st Jan 2010

Purchase price 200,000 GBP

Date of Sale 1st Jan 2016

Sale price 400,000 GBP

Gross capital gain = 400,000 - 200,000 = 200,000 GBP

In computing the gross amount of capital gains to be brought to tax, can you clarify for this specific scenario, is the entire sum of 200,000 GBP to be brought to tax?

Or is the sum 400,000 minus (Valuation of property as at 1st April 2015)?

Please note our immediate feedback that the above information is unclear in your consultation document.

Thank you