



helping you work

Personal Tax Planning 2020/21

CGT checklist for 2020/21

Work through the checklist and tick those that apply to your circumstances. We can then discuss your options.

Make sure you utilise your annual tax-free allowance of £12,300. Consider selling assets, shares for example, that can be sold within the tax-free allowance.	<input type="checkbox"/>
If your chargeable gains are likely to exceed the £12,300 limit, are there any assets you can sell at a loss to reduce the total gains below the tax-free limit? It is no longer possible to sell and buy back shares to facilitate this planning option by crystallising a loss unless you buy-back after more than 30 days – the so called ‘bed and breakfast’ arrangements apply.	<input type="checkbox"/>
If you are contemplating the sale of your business make sure you have arranged your affairs such that you can claim entrepreneurs’ relief. This will potentially allow you to make qualifying gains of up to £1m and only pay CGT at 10%.	<input type="checkbox"/>
As the level of your taxable income for income tax purposes will affect the rate of CGT you will pay, investigating ways to reduce your income tax earnings may save you CGT as well as income tax.	<input type="checkbox"/>
A gift of chargeable assets to your spouse does not create a CGT charge.	<input type="checkbox"/>
Your spouse and children also qualify for a separate tax-free allowance of £12,300. Transferring assets between family members can reduce overall CGT liabilities if considered before a sale.	<input type="checkbox"/>
Although the sale of your main home is generally free of CGT, if you have let the property for any time during your period of ownership or if you have made significant use of the property for business purposes then there may be a CGT liability when you sell. If you are affected, make sure you take advice on this issue.	<input type="checkbox"/>
CGT payable on chargeable disposals after 5 April 2020 and before 6 April 2021 will be due for payment by 31 January 2022. If you delay the disposal until after 5 April 2021, any CGT due will be payable a year later, by 31 January 2023. Theoretically, you could delay a disposal by 1 day (from 5 April to 6 April 2021) and it would extend the amount of time you would have to pay the tax to by 12 months. This does not apply to disposals of residential property – say a second home. Chargeable disposals of this type have to be reported to HMRC online within 30 days of the sale completing, and more importantly and CGT due has to be paid within the same 30 day window.	<input type="checkbox"/>
Review all the assets you own that are currently worth less than you paid for them. Should you dispose of them and make use of the capital losses? Which would be the best tax year to register the loss? This could include a claim to treat shares as having no value (a negligible value claim).	<input type="checkbox"/>