



Demystifying tax on using your land for rural housing

February 2017

Agenda

Demystifying tax on using your land for rural housing

- Introduction
- Selling land – individual’s tax position (as company shareholders or individual land owners)
- Retaining land and developing on your own account
- What’s different about a Housing Association
- Any questions?

Introduction

- Worked with Housing Associations for many years
- Usually look at the tax aspects for the HA
- Sometimes look at the tax position of corporate vendors
- Mariam has worked with individual tax payers for many years
- We'll combine all that knowledge into a quick 20 min slot and tell you about some of the tax things you need to think about when using your land for residential development

Selling land – individual's tax position

- Land owned by an individual or partnership
 - Capital gains tax
 - Capital gains tax reliefs
 - Income tax 'traps'
 - Inheritance tax
- Land owned by companies
 - Sale of land versus sale of shares
 - Should the company distribute the proceeds

Retaining land and developing on your own account

- Funding development: tax relief for interest
- Developing to sell on completion
 - Tax treatment of profit on sale
 - Tax planning
- Developing to retain for rental income
 - Tax treatment of rents
 - Tax treatment of development costs
 - Tax planning

What's different about a Housing Association or a charity

- Favourable tax position as long as developing social housing or other charitable activity.
- Corporation tax – often exempt from tax on many sources of income
- Stamp Duty Land Tax – often there are exemptions available so that HAs and other charities can purchase land without paying SDLT.
- A housing association can issue a certificate to the vendor to disapply VAT on residential land



Any questions?

Breakout – Tax, what does it mean for me?

- Introduction
- Questions from the delegates

Agenda

Breakout – Tax, what does it mean for me?

Q1

- we are shareholders of a family company which holds land which we used to farm but haven't done for some years. What are the tax implications if we sell the shares to a housing association.

Q2

- I personally own a large site which I bought because of its development potential. I am also the shareholder of a construction company. What tax issues do I need to be aware of if I develop out this site for mixed tenure housing?

Q3

- I have retired outside the UK; does any of this apply to me?

Q4

- If I get planning permission I will be much wealthier than I was. Should I do any inheritance tax planning?

Contacts

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