

INHERITANCE TAX – FA19 CHANGES GUIDE

| FA19 Ch | FA18 Ch | Topic | Major changes | Minor changes | No changes | Notes |
|---------|---------|--|---------------|---------------|------------|-------|
| 1 | 1 | Introduction to IHT | | | ✓ | |
| 2 | 2 | Chargeable transfers | | | ✓ | |
| 3 | 3 | Chargeable lifetime transfers – calculation of tax | | | ✓ | |
| 4 | 4 | Lifetime transfers – “grossing-up” | | | ✓ | |
| 5 | 5 | Close companies | | | ✓ | |
| 6 | 6 | Additional tax on death | | | ✓ | |
| 7 | 7 | Business Property Relief | | | ✓ | |
| 8 | 8 | Agricultural Property Relief | | | ✓ | |
| 9 | 9 | APR & BPR on death | | | ✓ | |
| 10 | 10 | “Fall in value” relief | | | ✓ | |
| 11 | 11 | The death estate | | | ✓ | |
| 12 | 12 | Nil Rate Bands | | | ✓ | |

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|----|----|--|--|---|---|---|
| 13 | 13 | Restrictions on the Deduction of Debts | | | ✓ | |
| 14 | 14 | IHT valuation rules | | ✓ | | Points added re 20% tax being deducted from accrued interest chargeable to IHT. |
| 15 | 15 | Quick Succession Relief | | | ✓ | |
| 16 | 16 | Post mortem reliefs | | | ✓ | |
| 17 | 17 | Gifts with reservation of benefit | | | ✓ | |
| 18 | 18 | Pre-owned Assets | | | ✓ | |
| 19 | 19 | Domicile & double tax relief | | | ✓ | |
| 20 | 20 | Deemed domicile | | | ✓ | |
| 21 | 21 | Deeds of variation | | | ✓ | |
| 22 | 22 | IHT administration | | ✓ | | Some simplification and removal of detail. |
| 23 | 23 | Payment of tax & the instalment option | | | ✓ | |
| 24 | 24 | Heritage Property | | | ✓ | |

TRUSTS AND ESTATES – FA19 CHANGES GUIDE

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|---------|---------|---|---------------|---------------|------------|--|
| 1 | 1 | Introduction to trusts | | ✓ | | New paragraph on the Trust Registration Service. |
| 2 | 2 | Income tax on interest in possession trusts | | | ✓ | |
| 3 | 3 | Income tax on discretionary trusts | | | ✓ | |
| 4 | 4 | Income tax on “mixed” trusts | | | ✓ | |
| 5 | 5 | Exit charges on relevant property trusts | | | ✓ | |
| 6 | 6 | Inheritance tax - principal charges | | | ✓ | |
| 7 | 7 | Accumulation and maintenance trusts | | | ✓ | |
| 8 | 8 | Other trusts for children | | | ✓ | |
| 9 | 9 | Interest in possession trusts – IHT issues | | | ✓ | |
| 10 | 10 | Interest in possession trusts – further aspects | | | ✓ | |

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|----|----|--|--|---|---|--|
| 11 | 11 | Trusts for vulnerable beneficiaries and disabled persons | | | ✓ | |
| 12 | 12 | Annuities | | | ✓ | |
| 13 | 13 | Capital gains and UK trusts | | ✓ | | Minor expansion of rules on investors' relief. |
| 14 | 14 | CGT and UK trusts - further aspects | | | ✓ | |
| 15 | 15 | Trust income taxed on the settlor | | ✓ | | Minor expansion of explanations. |
| 16 | 16 | Settlor interested trusts - CGT and IHT | | | ✓ | |
| 17 | 17 | Bare trusts | | | ✓ | |
| 18 | 18 | Estates in administration | | | ✓ | |
| 19 | 19 | Beneficiaries of deceased estates | | ✓ | | Minor simplifications on fringe issues. |

INCOME TAX AND CAPITAL GAINS TAX – FA19 CHANGES GUIDE

Note that all chapters have been updated for 2019/20 thresholds, rates and allowances.

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|---------|---------|--------------------------------------|---------------|---------------|------------|--|
| 1 | 1 | Introduction to the UK tax system | | ✓ | | Reference to Welsh taxpayers added. |
| 2 | 2 | Calculating the income tax liability | | | ✓ | |
| 3 | 3 | An introduction to self assessment | | | ✓ | |
| 4 | 4 | Payment dates, interest & penalties | | ✓ | | Reference to CGT payments in respect of disposal of UK land. |
| 5 | 5 | Self assessment - further aspects | | | ✓ | |
| 6 | 6 | Introduction to property income | | | ✓ | |
| 7 | 7 | The Accrued Income Scheme | | | ✓ | |
| 8 | 8 | Introduction to capital gains tax | | ✓ | | Reference to payments on account in respect of disposals of UK land. |

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|----|----|---|---|---|---|---|
| 9 | 9 | Calculation of capital gains | | | ✓ | |
| 10 | 10 | Entrepreneurs' relief and Investors' relief | ✓ | | | Change to the definition of a personal company for entrepreneurs' relief (ER) purposes. Increase from 1 to 2 years for length of time various conditions need to be met in order to qualify for ER. Expansion of detail in respect of investors' relief (IR). |
| 11 | 11 | Relief for capital losses | | ✓ | | Updated to reflect changes in wording of legislation following FA 2019 re-write of Part 1 TCGA 1992 re offset of capital losses brought forward and the interaction with the AEA. |
| 12 | 12 | Chattels | | | ✓ | |
| 13 | 13 | Valuation, Connected persons & Inter Spouse Transfers | | | ✓ | |
| 14 | 14 | Shares & securities: Matching rules | | | ✓ | |
| 15 | 15 | Gift relief | | | ✓ | |
| 16 | 16 | Gift relief - restrictions | | ✓ | | Minor addition re IR. |

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|----|----|---|--|--|---|--|
| 17 | 17 | Gift relief - further aspects and exchanges of assets | | | ✓ | |
| 18 | 18 | Principal private residence relief | | | ✓ | |
| 19 | 19 | PPR relief - further aspects | | | ✓ | |