

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	Business Property Relief – Further Aspects		✓		New section on property development businesses.
9	9	Agricultural Property Relief		✓		More detail and an extra illustration on businesses eligible for both APR and BPR. Extra points on activities not qualifying for APR. More detail on APR on farmhouses.
10	10	APR & BPR on death			✓	
11	11	“Fall in value” relief		✓		Points added re time limits for claims and denial of relief for gifts or sales at undervalue.
12	12	The death estate			✓	

13	13	Nil Rate Bands			✓	
14	14	Restrictions on the Deduction of Debts			✓	
15	15	IHT valuation rules		✓		Points added re 20% tax being deducted from accrued interest chargeable to IHT.
16	16	Quick Succession Relief			✓	
17	17	Post mortem reliefs			✓	
18	18	Gifts with reservation of benefit			✓	
19	19	Double charges relief			✓	
20	20	Pre-owned Assets			✓	
21	21	Domicile & double tax relief			✓	
22	22	Deemed domicile		✓		Minor point added re excluded property trusts and GWROBs.
23	23	IHT on UK Residential Property			✓	
24	24	Deeds of variation			✓	
25	25	Grossing-up of legacies			✓	
26	26	Double Grossing		✓		Minor point added re double grossing being unnecessary if the estate rate is 40%.

27	27	Section 39A IHTA 1984		✓		Section added showing how S.39A should be applied to estates with no exempt legacies.
28	28	The 36% lower rate – advanced aspects			✓	
29	29	IHT administration		✓		Some simplification and removal of detail.
30	30	Payment of tax & the instalment option			✓	
31	31	Heritage Property			✓	
32	32	Woodlands			✓	
33	33	IHT Avoidance			✓	
34	34	IHT Planning			✓	

TRUSTS AND ESTATES – FA19 CHANGES GUIDE

FA19 Ch	FA18 Ch	Topic	Major changes	Minor changes	No changes	Notes
1	1	Introduction to trusts		✓		New paragraph on the Trust Registration Service.
2	2	Income tax on interest in possession trusts		✓		Addition of section on mandated income.
3	3	Income tax on discretionary trusts			✓	
4	4	Income tax on "mixed" trusts			✓	
5	6	Exit charges on relevant property trusts			✓	
6	6	Inheritance tax - principal charges			✓	
7	7	Relevant property trusts – added property			✓	
8	8	Relevant property trusts – further aspects		✓		Expansion of illustration on trusts becoming discretionary. Extra points on Section 80 trusts.
9	9	Accumulation and maintenance trusts			✓	
10	10	Other trusts for children			✓	
11	11	Interest in possession trusts – IHT issues			✓	

12	12	Interest in possession trusts – further aspects			✓	
13	13	Trusts for vulnerable beneficiaries and disabled persons			✓	
14	14	Annuities			✓	
15	15	Capital gains and UK trusts		✓		Minor expansion of rules on investors' relief.
16	16	CGT and UK trusts - further aspects			✓	
17	17	Trust income taxed on the settlor		✓		Minor expansion of explanations.
18	18	Businesses and the settlements legislation			✓	
19	19	Settlor interested trusts - CGT and IHT			✓	
20	20	Overseas trusts - Income tax issues			✓	
21	21	Overseas trusts – CGT and IHT issues	✓			New section on FA 2019 provisions re exit charge payment plans. New section on FA 2019 provisions re UK non-residential property gains.

22	22	Overseas trusts – further aspects		✓		Removal of minor points on FA2018 changes.
23	23	Overseas trusts - Non-dom issues for IT & CGT			✓	
24	24	Bare trusts			✓	
25	25	Estates in administration			✓	
26	26	Beneficiaries of deceased estates		✓		Minor simplifications on fringe issues.
27	27	Introduction to capital gains tax		✓		Annual exempt amount is now £12,000

INCOME TAX and CGT – FA19 CHANGES GUIDE

FA19 Ch	FA18 Ch	Topic	Major changes	Minor changes	No changes	Notes
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		✓		Amends to time limits for assessments where loss of tax involves offshore matter/transfer.
6	6	Introduction to capital gains tax		✓		Reference to payments on account in respect of disposals of UK land.
7	7	Calculation of capital gains			✓	

8	8	Entrepreneurs' relief	✓			<p>Change to the definition of a personal company for entrepreneurs' relief (ER) purposes.</p> <p>Increase from 1 to 2 years for length of time various conditions need to be met in order to qualify for ER.</p> <p>New rules for relief where a company ceases to be an individual's personal company for ER purposes.</p>
9	9	Relief for capital losses		✓		<p>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 (or carried back) and the interaction with the AEA.</p>
10	10	Part disposals			✓	
11	11	Sales of leases			✓	
12	12	Grants of leases			✓	
13	13	Grants of leases - advanced aspects			✓	
14	14	Chattels			✓	
15	15	Valuation, Connected persons & Inter Spouse Transfers			✓	

16	16	Shares & securities: Matching rules			✓	
17	17	Bonus issues & rights issues		✓		Brief reference to treatment where a claim for investors' relief (IR) is made.
18	18	Scrip issues & sales of rights			✓	
19	19	Takeovers and reorganisations		✓		Section added re treatment where a claim for IR is made.
20	20	Gilts & QCBs		✓		Section added re IR election.
21	21	Earn-outs & deferred consideration		✓		Minor references to IR added.
22	22	Gift relief			✓	
23	23	Gift relief - restrictions		✓		Minor addition re IR.
24	24	Gift relief - further aspects and exchanges of assets			✓	
25	25	Principal private residence relief			✓	
26	26	PPR relief - further aspects			✓	

27	27	Assets lost or destroyed			✓	
28	28	Compensation for assets damaged			✓	