



### **Autumn Statement - Property bears the brunt**

The big surprise in yesterday's Autumn Statement was the abandonment of the previously announced changes to tax credits and this will have come as a great relief to many low paid workers.

While there may not have been any specifically dental measures in the spending review, it would be a mistake to think that it won't affect the lives of many dental professionals. In fact, there were a number of measures that could have a significant impact:

1. Considering the purchase of a second home or buy-to-let property? As of 1st April 2016, higher rates of Stamp Duty Land Tax will be charged (3 percentage points above the current SDLT rates).
2. If you already have income from property, you will need to factor in that, with effect from 6 April 2016, the long standing 10% wear and tear allowance for furnished lettings is abolished and that higher rate tax relief on borrowing costs will start to be phased out.
3. You may also care to note that from April 2019 it is proposed that a payment on account of any Capital Gains Tax due on the disposal of residential property, not exempted from CGT by the Principal Private Residence exemption, will be required within 30 days of the completion of the disposal. At present, of course, no CGT is payable until the 31 January following the tax year in which the disposal occurs. (Those who have disposed of residential properties overseas will be familiar with the process outlined and it is perhaps a surprise that no Chancellor has sought to introduce such a measure before now).

4. Nearing retirement? Despite much speculation in recent weeks, no changes were announced to the current rules for Capital Gains Tax Entrepreneurs Relief so those contemplating retirement and the sale of their practices in the near future, can still expect their Capital Gains arising on disposal to be taxed at the reduced rate of 10%.

5. Child care costs a concern? The lowering of the upper income limit per parent from £150,000 to £100,000 for tax free childcare may help some previously unable to benefit from this.

6. Paperless? You will soon need to be! There was a further announcement about the Government's plans to transform HMRC into one of the world's most digitally advanced tax administrations and, according to the press release, "most businesses, self-employed people and landlords will be required to keep track of their affairs digitally and update HMRC at least quarterly via their digital account, reducing errors through record keeping." This is perhaps only to be expected as the Government continues with its plans to close HMRC offices and reduce overall staff numbers. Plans will be published shortly and detailed consultation will take place in 2016.

Finally, away from the Autumn Statement itself, measures announced in the July Budget were given Royal Assent in the Finance (No 2) Act 2015 last week (18 November) and those dentists who operate via limited companies will need to familiarise themselves with the changes to the tax treatment of dividends which take effect from 6 April 2016 and which will typically result in higher tax charges for them.

ENDS

Note to editors:

NASDAL, the National Association of Specialist Dental Accountants and Lawyers, was set up in 1998. It is an association of accountants and lawyers who specialise in acting for and looking after the accounting, tax and legal affairs of dentists. It is the pre-eminent centre of excellence for accounting, tax and legal matters concerning dentists. Its members are required to pass strict admission criteria, and it regulates the performance of its members to ensure high standards of technical knowledge and service.

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