# Draft Finance Bill 2018-19: CGT payment window on residential properties (Clause 6)

**Management of taxes** **Personal tax**

01 November 2018

The ATT submitted comments on the proposed changes in the 2018-19 draft Finance Bill to the payment window for CGT on the sale of residential property from 6 April 2020.

The ATT's response to this clause focused on the impact of the proposed 30-day payment window for UK residents disposing of residential property after 6 April 2020. This is a major change to CGT compliance which will affect most agents.

The concept of a 30-day payment window was the subject of a consultation to which the ATT (and CIOT) responded in June 2018. Many of the concerns we raised then about the practicalities of the short payment window, the calculation mechanism and ensuring sufficient publicity of the new measure remain.

Our response to the proposed legislation highlights two main areas of concern. Firstly, there needs to be clarity over how the proposed new residential property return, also to be made within 30-days of disposal, is intended to interact with the final report of the disposal on the self-assessment return.

Secondly, we have been informed there is an intention to charge interest if the CGT paid within 30 days is subsequently found to be insufficient after the year end. Given that it is impossible to accurately establish the CGT liability until after the end of the tax year, when all the facts that affect the computation are known, we think that it should be sufficient to make a payment on account based on the best available information at the time of disposal.

The response also included a number of more detailed observations including a proposal for HMRC to make a refund prior to the submission of the final self-assessment return in certain circumstances, provision for the making of reasonable estimates, provision for those whose residency position is unclear at the time of disposal and more flexible provisions for amendments to the residential property return.

The ATT's response can be found on the ATT website.