Spotlight on the Property Taxes Sub-committee

General Features

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This month, in our series of articles about the CIOT's technical sub-committees, CIOT Technical Officer Kate Willis outlines the work of the Property Taxes Sub-Committee.

The CIOT's Property Taxes technical sub-committee was established in 2007 under the then chairmanship of Lakshmi Narain who remains an active member of the sub-committee. Under the current chairmanship of Brian Slater, the sub-committee considers many aspects of real estate taxation, both commercial and residential property. There is of course considerable overlap with the remit of other sub-committees particularly the Indirect Taxes Sub-committee in relation to VAT on property, and the Capital Gains Tax and Corporate Taxes Sub-committees.

In common with most of the other CIOT sub-committees, the Property Taxes Sub-committee meets quarterly, with intervening conference calls on specific matters if the need arises. A look back at the last quarterly meeting notes provides some indication of the Sub-committee's wide remit. The Sub-committee considered landlord's contributions to tenant's works for the purposes of the Construction Industry Scheme (CIS), the tax treatment of enablement schemes (that is, the provision of private residential and/or affordable housing as a pre-requisite to the grant of planning permission for a commercial development), the recent consultation on 'Taxing gains made by non-residents on UK immovable property', the complex tax position around land pooling, certain current issues for SDLT matters and aspects of VAT on property including the new reverse charge in the construction sector and rights to light. This list illustrates the interaction with other sub-committees, for example the Employment Taxes Sub-committee generally leads on CIS matters. The Property Taxes Sub-committee's particular property focus is on working with HMRC to clarify the extent to which CIS extends to landlords making payments to tenants where tenants have contracted to carry out construction works.

Members of the Sub-committee represent the CIOT at HMRC consultative forums including the SDLT Working Together Steering Group. The Sub-committee engages with other specialist property- focused teams in HMRC such as the HMRC's Offshore Property Developers Taskforce.

Much of the work of the Sub-committee is taken up in responding to HMRC and HM Treasury consultations and reviewing draft legislation implementing property tax related measures. The Sub-committee is also notable for its proactive engagement with HMRC on tax issues that adversely impact on aspects of the property industry. We are fortunate in that our membership includes senior members in both private practice and in industry. If you are interested in becoming involved in the technical work of the CIOT, have a look at the website for details of how to join the Property Taxes Sub-committee or one of the other sub-committees.

Feedback from members on property taxes issues is always very welcome, to technical@ciot.org.uk.