Technical Work: Spotlight on the CIOT's Property Taxes Committee and the Business Rates Working Group

Briefings

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Kate Willis, CIOT technical officer.

The Property Taxes Committee remit covers most aspects of property taxation. The Committee is chaired by Marc Selby, the Vice-chair is Leigh Sayliss and the Business Rates Working Group is chaired by Kersten Muller.

The work of the Committee in 2021 and 2022 illustrates the diverse nature of its engagement in property taxes and is underpinned by the knowledge and expertise of senior direct and indirect tax specialists.

The Committee engaged extensively with HMRC and HM Treasury on the consultation to introduce the new residential property developer tax as part of the government's measures to bring an end to unsafe cladding. We provided input on the land and property related aspects of the Office of Tax Simplification's review of capital gains tax in 2021 and their review of property income in 2022. Recent consultation responses have included the proposals to reform the treatment of multiple dwellings relief and mixed use property for stamp duty land tax purposes and, over the summer, the consultation on sovereign immunity from direct taxes.

We contributed to HMRC's informal consultation on the development of the stamp duty land tax relief for freeports, identifying the need to address alternative finance in the draft legislation with a subsequent amendment introduced at Committee of the Whole House stage.

The Committee has also reviewed HMRC's manuals in property-related areas, including land remediation relief and non-resident capital gains tax to address areas of uncertainty or anomalies. Together with the Private Client (UK) Committee, we have contributed to HMRC's consultation on full manual guidance for the 60-day capital gains tax on UK property reporting regime.

The Committee has engaged proactively through written submissions and informal consultation on the tax issues associated with the assembly of land for housing development and tax issues in relation to flat management companies. Recently, the Committee made a proactive submission on the derelict land remediation scheme to ask for the qualifying date of 1 April 1998 for land in a derelict state to be reviewed in line with the policy intent.

Business Rates Working Group

Membership of the group includes specialist rating agents, members with valuation expertise and tax practitioners. The Working Group is therefore able to offer a fairly unique insight, within the CIOT's wider remit, on business rates and the interaction with the wider tax system. This perspective has informed our response to the two tranches of the government's fundamental review of business rates.

Latterly, the Group has responded to the government's technical consultations, including the consultation looking at the new and potentially onerous requirement for businesses to notify the Valuation Office Agency of changes to properties, the nature of their occupation and to provide rent and lease information. These changes are to facilitate new three yearly valuations. The most recent consultation the Group has considered is on 'Digitising business rates: connecting business rates and tax data'. It is anticipated that the Group's participation in business rates will only increase as business rates seem set to become more aligned to mainstream taxes.

Kate Willis, kwillis@ciot.org.uk