



CGT

15. THE NEED FOR EVIDENCE

In the recent of *T Ridpath v HMRC* TC02785 the First-tier Tribunal had to disallow a claim for capital gains tax expenditure due to lack of evidence. While the tribunal agreed it was very likely that the taxpayer had incurred costs on the property, it concluded it was impossible to define how much had been spent. The taxpayer could not provide any details or proof of what had been paid out. The tribunal had no idea why the taxpayer had

been so vague about the expenditure and said it was unfortunate he could not offer any detail.

Perhaps that is a timely reminder to the tax adviser on how the vast majority of taxpayers do not realise the need to record expenditure in respect of capital disposals. When taxpayers move into new territory, for example disposing of property or starting a business, they may not know and understand the need for recording and keeping robust evidence.

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