

### **069. Horse-grazing agreements in lockdown**

With COVID-19 lockdowns increasing the demand for puppies to walk and horses to hack, there is greater demand for horse grazing throughout the UK. The winter always sees a demand for horse grazing for polo ponies who only compete in the summer and this is boosted by horses who cannot compete because of the lockdown. Riding and horse care is something that can be COVID-19 safety compliant because it involves fresh air and social distancing, and meets lockdown considerations regarding animal welfare. The price of the 'pony paddock' has also increased since the pandemic.

The tax point to consider involves the recent case of *Gill (Charnley & Anor (Estate of Gill))* [2019] UKFTT 0650 (TC) on cattle grazing. The case of *Wheatley (Wheatley's Executors v IR Commrs)* (1998) SpC 149 argues that APR for IHT cannot be claimed on horse grazing because horses are not 'agriculture' for tax purposes.

However, provided the horses are 'looked after, they receive services, or they are part of a 'trade' of equine activity then they qualify for business property relief (BPR). Tax direction can be taken from the *Vigne* case

(*HMRC v The Personal Representative of Maureen Vigne (Deceased)* [2018] UKUT 0357) with regard to the level of service for horse care.

Where COVID-19 has caused a change to lifestyle and arrangements, the IHT position must be considered as part of estate planning.

Contributed by Julie Butler FCA, Joint Managing Partner, Butler & Co

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