

Financial and Legal Advice



Is IHT a tax just for the super wealthy?



Angela Evans of Butler & Co

WITH the increase in property prices and the freezing of the nil rate band since 2009, more estates are exceeding £1m and falling into charge.

The HMRC investigations team are paying particular attention to estates around £2m.

In the past year they have been particularly successful with this, clawing back £326m of IHT through their investigations.

Is it deliberate tax avoidance that has resulted in this success?

No. In most cases families have unknowingly missed out information from the IHT disclosure, especially with self-administered estates.

The administration of an estate can be confusing and extensive, especially for those who have never done one before.

The most common error arising is the identification and recording of lifetime gifts made in the seven years before the date of death, especially where the deceased did not keep records of the gifts made.

Trawling through seven years of bank statements and personal financial records can feel inappropriate, but is unfortunately necessary.

A record of lifetime gifts as they arise will help prevent some of these problems in the future.

The second area giving rise to the most common errors is not getting assets valued correctly by someone suitably qualified.

This not only relates to property but personal belongings too, especially if an individual item is worth more than £1,500.

It is therefore very important that executors get the proper advice and support when completing the IHT returns and preparing the estate accounts.

Butler & Co has a local and national reputation for providing excellent advice and first-class service together with a high level of client care and communication.

Please do not hesitate to contact us on 01962 735544 or by email at infobutler@butler-co.co.uk

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