

Is it a business or a hobby? And just how does it affect my tax?

THE 2021 Budget (now Finance Bill) did not change the inheritance tax reliefs on farms and businesses.

The Covid pandemic has created lots of enthusiasm for walking dogs, hacking horses and camping in the UK countryside.

All these activities come with opportunity to make equine and farming businesses more robust and commercial with positive income streams.

There are some operations that start as a hobby and could move to a business to obtain tax relief. There are also some operations that start as a business but slip into the criteria that the taxman sadly sees as a hobby.

Following the announcement that the unlocking of the UK is on hold until July 19, there are still lots of opportunities to 'get back to business' - for example, hiring out fields for dog walking at set times with no other dogs, looking at pop-up campsites and converting more

redundant farm buildings into stables, etc.

The insurance obviously has to be checked but the pop-up campsites have had an extension to the number of days they can open without a licence.

There is no doubt opportunities abound and can be positive for tax relief and the local community. Let's get back to business!

Butler & Co can assist with business plans, tax planning reports, setting up a new business and helping with the tax advice on converting a hobby into a business. We can also review how a farm and equine operation can be made more robust for inheritance tax and other reliefs such as genuine tax loss claims.

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.

For advice or a free telephone consultation, please do not hesitate to contact us on 01962 735544 or by email at infobutler@butler-co.co.uk

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