

Lifetime gifting of your business – we're here to help

IN JULY 2019, the All-Party Parliamentary Group (APPG) proposed a substantial change in inheritance tax.

This included taking away exemptions for lifetime gifting, with an annual allowance instead and the removal of very valuable death reliefs such as agricultural and business property relief (APR and BPR).

In one of our earlier editorials we suggested lifetime gifting: "If you have plans to gift property or other assets to the next generation, now is the time to be looking at this seriously."

"Succession planning for your farm and/or business has never been more important.

"Gifts to your children while they will still count as potentially exempt transfers, use of the nil rate bands and the seven-year rule."

The Budget on March 3 left the APR and BPR intact. If you do not gift your business, we have already raised the importance of having continuity plans.

If you are in business whether as a sole trader, partnership or limited company, it is vitally important it will provide for the continuance of your business, giving your

Julie Butler



executors power to run your business until it is taken over or sold, particularly if you have employees.

If you have partnership or shareholders' agreements, these must reflect the provisions in your will.

If there are contradictions, misunderstandings can arise and the business may falter.

Essentially, if you have a

farm or business you must consider the tax advantages of gifting now while the generous tax reliefs are still in place.

If you do not want to gift the business now, you must ensure you have deliberated and documented your succession plans.

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 info@butlerandbutler.co.uk

We can provide tax advice around the alternatives. We don't have a crystal ball but we can help you see the tax road map that potentially lies ahead.

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