

Companies with Residential Property

Review Now to Avoid £1,600 Penalties:

“Annual Tax on Enveloped Dwellings” (ATED)

Failure to make even a “nil” return for ATED, including if you are a property development or property letting company, can mean that your company could be hit with late filing penalties of up to £1,600.

As a company, if on 1 April 2017 you hold or before 31 March 2018 acquire residential property as trading stock or as a capital asset then you may need to make a return to HMRC. In most cases this will be as early as 30 April 2017.

Key deadlines for 2017/18 ATED Returns, Including Nil Returns	
30 April 2017	if your property is within the scope of ATED on 1 April
30 days of acquisition	if your property comes within the scope of ATED after 1 April
90 days for newly built properties	If you are a property developer with a newly completed dwelling, then your filing deadline for an ATED return is 90 days (earliest of the dates of classed as a dwelling for Council Tax purposes or the date it is first occupied)
Further returns	30 April 2018

Since the threshold for ATED was reduced to £500,000 value for any single dwelling, many more companies have been required to submit ATED returns to HMRC even though there may be no tax due.

Our flow chart overleaf will help you to decide whether you may need to make an ATED return.

If you need to submit a return and wish to do this yourself, you can register with HMRC’s on-line service: www.gov.uk/guidance/register-for-the-annual-tax-on-enveloped-dwellings-online-service. You will need a Government Gateway account which you can also create from the link.

If you would prefer us to complete the ATED return and submit it for you, our fees for 2017/18 returns are £375 plus VAT for existing clients and £450 plus VAT for new clients in the first year only using our ATED filing service. Additional fees may apply if more than one return is required.

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**ANNUAL TAX ON ENVELOPED DWELLINGS” (ATED) - DO I NEED TO FILE A RETURN WITH HMRC?
You should take specific advice on your own tax position in deciding whether you need to file an ATED return or not**

