

Companies with Residential Property

Review Now to Avoid £1,600 Penalties:
“Annual Tax on Enveloped Dwellings” (ATED)

Garbutt + Elliott

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 2019 you hold a residential property as trading stock or as a capital asset then you may need to make a return to HMRC by 30 April 2019. Further filing deadlines may occur if you acquire or convert properties during the year.

Key filing deadlines for 2019/20 ATED Returns, Including Nil Returns

30 April 2019

If your property is within the scope of ATED on 1 April

30 days of acquisition

If you acquire a property 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 from the date the property is classed as a dwelling for Council Tax purposes or the date it is first occupied, whichever is earliest.

Further returns

30 April 2020

A property will be within the scope of ATED if its value, as of 1 April 2017 or date of acquisition if later is over £500,000

Any company, partnership with a corporate member or collective investment scheme that owns a UK residential dwelling valued over £500,000 (as of April 2017) may be required to submit an ATED return, even if no tax is due.

There are a number of exemptions and reliefs available to reduce your liability under ATED

Our flow chart overleaf will help you to decide whether you may need to make an ATED return and if you qualify for any relief or exemption.

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 2019/20 returns are £275 plus VAT for existing clients and £375 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

