

April 2020

Annual Tax on Enveloped Dwellings - Returns Due This Month

Annual Tax on Enveloped Dwellings (ATED) Returns for the year 1 April 2020 to 31 March 2021 must be filed with HMRC and any tax paid by 30 April 2020.

ATED affects residential properties worth more than £500,000 at 1 April 2017 (or its acquisition date if later) which are held by Non Natural Persons or NNPs, including Companies. Penalties still may be issued for late filing, although they could be appealed if the delay can reasonably be put down to difficulties being experienced as a result of the spread of COVID-19 or in relation to any of the related restrictions being imposed currently. There should be no assumption however that appeals will be allowed in every instance, so filing should go ahead to the extent NNPs can reasonably do so.

The annual tax charges for 1 April 2020 to 31 March 2021 are as follows:

Property Value	ATED Charge
More than £500,000 to £1M	£3,700
More than £1M to £2M	£7,500
More than £2M to £5M	£25,200
More than £5M to £10M	£58,850
More than £10M to £20M	£118,050
Over £20M	£236,250

There continue to be a number of reliefs available for NNPs such as for property rental businesses although taking no action is not sufficient to qualify for the prescribed reliefs, if you are within the ATED charge. Relief must always be claimed in an ATED relief declaration.

For further guidance on these measures, please contact [Robert Drysdale](#) or a member of our [Wealth Planning](#) team:



Karen Methold
Partner
Head of Wealth Planning
+44 (0)20 7689 7112
kmethold@rooks rider.co.uk



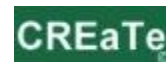
Christopher Cooke
Senior & Managing Partner
Corporate & Wealth Planning
+44 (0)20 7689 7110
ccooke@rooks rider.co.uk



Nicholas Jenkins
Deputy Managing Partner, Finance Partner
and COFA
Wealth Planning
+44 (0)20 7689 7161
njenkins@rooks rider.co.uk



Robert Drysdale
Associate
Wealth Planning
+44 (0)20 7689 7168
rdrysdale@rooks rider.co.uk



Rooks Rider Solicitors LLP
CentralPoint
45 Beech Street ■ London ■ EC2Y 8AD

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