

Selling/Gifting Second Property – Things to Think About

If you are considering selling a property other than your primary residence you may be liable for Capital Gains Tax (CGT) on any profit made. Even if you are transferring the property as a gift, without any money changing hands, there may be implications for CGT. There are, however, many ways to reduce your tax bill on selling a second property.

- Married/in Civil Partnership? Why not transfer half to your Spouse/Civil Partner? This makes use of two annual allowances and can significantly reduce your tax bill.
- Are you aware of the tax advantages available if you occupy your second property for as little as one month? If the property becomes your principal primary residence you may be able to reduce the CGT due.
- Have you incurred any losses in your share portfolio or other investments? Losses can be offset against gains if they are realised in the same tax year and this can reduce your overall CGT bill.
- Planning to gift/sell your second property at the beginning of a year? As the tax is due to be paid at the end of the tax year, concluding missives after 5th April will give you an extra year to pay the tax.
- Did you purchase your second property less than two years ago? If so, you may be able to make use of a 3 year exemption if the property has been your principle primary residence.

Lindsays can advise you on all aspects of selling or gifting a second property including how to minimise your tax bill. For more information please contact Stephanie Dodds, Tax Manager.

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