



## Do you meet the Annual Tax on Enveloped Dwellings (ATED) Conditions?

Missing the filing deadline can result in penalties, interest and surcharges. ATED return submission dates depend on when the property was purchased and the value of the property. The deadline can be as early as 30 days from completion of the purchase.

The Government introduced the ATED annual charge in April 2013 on UK **residential property** owned by a company, a partnership or a collective investment scheme (referred to as **non-natural persons**).

Depending on the circumstances the 'non-natural persons' are able to obtain relief under certain circumstances and therefore not pay the ATED annual charge. An ATED return will still be required if the property value exceeds the limit stated, regardless of whether an ATED charge will apply or not.

Failure to submit an ATED return where the value of the property exceeds the limit (see table below), will result in **penalties, interest and surcharges** irrespective of whether or not an ATED charge is applied.

Relief from the ATED charge is available for:

- Dwellings held by property development companies, or as trading stock
- Dwellings held by property rental businesses where the building is let out to a third party on a commercial basis
- Dwellings that are conditionally exempt from IHT and regularly opened to the public or used to provide accommodation or other services to the general public on a commercial basis
- Farmhouses occupied by working farmers
- Dwellings held by trading companies for the use of employees in the trade
- Dwellings owned by a charity and held for charitable purposes
- Dwellings owned by public or government bodies or for social housing

### Administration

An ATED return is required annually and shall report either the charge applicable to the property or the relief the company is entitled to (as stated above). ATED returns are prepared a year in advance, for example an ATED return covering the period to 31 March 2021 was due for submission by 30 April 2020.

The submission date depends upon the value of the property and when the property was acquired. It is important to note

that if a property is purchased and exceeds the property value limit, a return will be required within 30 days following completion of the purchase or 90 days if the property is newly developed.

The charge on residential properties owned by a non-natural person can be illustrated in a table of the ATED rates:

Property Value	ATED charge		
	31 March 2019	31 March 2020	31 March 2021
<£500,000	0	0	0
£500,000 - £1m	£3,600	£3,650	£3,700
£1m - £2m	£7,250	£7,400	£7,500
£2m - £5m	£24,250	£24,800	£25,200
£5m - £10m	£56,550	£57,900	£58,850
£10m - £20m	£113,400	£116,100	£118,050
£20m+	£226,950	£232,350	£236,250

### Where we can Help

We are able to review the properties held and determine if an ATED return is required and if any reliefs can be available. We have prepared a number of ATED returns and are able to provide advice and support in dealing with HM Revenue and Customs on any matters relating to the return and charge.

The help you need, the attention to detail you want & the personal touch you deserve