

Rail Forum Finance Leaders Group Corporate Tax

Presented Gary Devonshire – October 2024

Corporate Tax relief

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Introduction



Gary Devonshire

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- Joined PKF Smith Cooper in January 2019
- Over 20 years of experience in Tax Advisory
- Midlands based
- Specialising in Innovation and Property taxes, including R&D and capital allowance consultancy projects
- Also advises on transactions and employee retention

Budget – October 2024

- Significant uncertainty surrounding various aspects such as IHT, CGT and pensions
- Manifesto indicates no rises for income tax or VAT, so the above are obvious targets
- Could be effective from Budget Day so need to be aware



Capital Gains Tax

- Currently 10% if you sell your business (shares in a business) for under £1m (if BADR in point), 20% after
- Residential property – 18%/24%
- Listed shares and other capital assets – 10%/20%

Options

- Make use of unused capital losses, AE, review gifts into or out of Trust or transfer of property to a company
- If a transaction is delayed post 30 October 2024, review alternatives



Pensions

- Currently can put in £60k per annum (if not earning £260k per annum)
- Can make catch up payments for unused capacity over three previous years

Options

- Make use of unused pension capacity and make maximum payments if possible
- Consider salary sacrifice arrangement for key employees



IHT

- Currently have a NRB of £325k available, but shares in trading businesses or agricultural property can attract 100% relief on death
- Consider gifts into Trust as part of a wider family wealth strategy
- Will also need to consider CGT implications and wider family wealth plans



Other items to consider: Cash generative tax relief's

Capital allowances

- Available on acquisitions of business assets and commercial property (also furnished holiday lets until 5 April 2025)
- Significant benefits available, particularly with commercial property assets
- Varying rates of relief but can adjust the net costs of investment

Research & development tax credits

- Have presented on this previously but still worth noting again for companies that innovate

Q&A

Do you have any questions?



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