

2015 NFU National Tenant Farmer's Conference

Tax issues and changes

Michael Parker
NFU Head of Tax

Inheritance Tax

- Length of FBTs – a tax solution for a non tax issue?
- BPR and APR are part of the structure of Inheritance Tax
- APR extends to landlords but ownership conditions more onerous
- Other tax barriers make farming in hand more attractive than letting
- Is it better to restrict APR, remove other tax barriers, or neither?

The next 6 months...

Cash flow

- Profits down/BPS down/balancing payment due on 31 January
- Look at impact of current year losses/lower profits
- Consider Time to Pay arrangements - but act early
- Tax credit reductions from next April
- National Living Wage increases from next April

and beyond...

5 year farmers averaging

- Government recognition of the issue of volatility
- From 2016/17 will help keep more profits at lower rates of tax
- Could help keep tax bills within a narrower range

Annual Investment Allowance (AIA)

- Has fluctuated for some years but a downward direction
- Lobbying and members highlighted impact on farmers
- From 1 January 2016 set at £200k permanently

Taking on a tenancy or extending your business

- Consider who you can work with
- Understand different business structures and decide which works best for your business
- Produce a business plan and cash flow - with help if needed
- Register as self-employed/Ltd company and register for VAT
- Know when your tax payments/repayments are due