

## Press Release

17 May 2010

### Capital Gains Tax rise expected in 22 June Budget

The election has been and gone and we now have a different sort of Government. As a result of the coalition agreement, we already have some details of the likely direction of tax policy some weeks before the Budget on 22 June.

In particular the two Government parties have mentioned potential changes to Capital Gains Tax (CGT).

Graham Poles, Tax Director at Armstrong Watson comments:

"For some time now I have joined with many other commentators in predicting a rise in the rate of CGT. It seems that it is now about to happen albeit the higher rates are going to be restricted to non-business assets. This would include most stocks and shares as well as investment properties or second homes.

"It could happen and be effective from June or it might not happen until next April. We also await details of the proposed new higher rates of tax.

"So there is a window of opportunity of uncertain length in which people can continue to take advantage of the current 18% CGT rate. Gains on sales during this period will be taxed at this lower rate.

"Of course it is very easy to sell shares but properties tend to take a bit longer. Fortunately, it is normally possible to trigger the CGT without a real sale but it will still take a little organising so, if you might be affected, act now."

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