

## **CGT on UK property - HMRC update**

Synopsis: Taxpayers who have sold a property, which was not their main residence, must file a capital gains tax (CGT) return within 60 days of completion if a chargeable gain arises. HMRC has provided an update on recent changes to its paper return, and further guidance about when there is an 'initial overpayment'.

Date published: 03.01.2023

When a taxpayer is completing a self-assessment return and realises that they should have submitted a 'CGT on UK property return' during the tax year (60 days from the date of completion), they should submit a 'CGT on UK property return' before submitting the self-assessment return.

If the taxpayer has already submitted a self-assessment return, they cannot use the digital service to report the gain and must do so by completing a paper 'CGT on UK property return'.

### **Improvements to the 'CGT on UK property paper return'**

HMRC says that it has made significant changes to the 'CGT on UK property paper return' to make it easier for taxpayers to complete. The new form includes,,,

- notes to help taxpayers complete the return;
- a section to enter details of an authorised agent;
- a section to enter repayment details if the return is an amendment; and
- a section to allow taxpayers to make a return after a self-a return.

To request a paper return, the taxpayer or their agent will need to contact HMRC. Please see [here](#).

Paper returns should only be made in certain circumstances. You can read a full list of when paper returns can be made in [section 1.13](#) - paper returns of the [CG-APP18 CGT on UK property account](#) guidance.

Non-UK resident individuals should continue to use the 'alternative sign in' process to report and pay via the 'CGT on UK property account', unless the taxpayer is digitally excluded. You can read about the 'alternative sign-in' process [here](#).

### **2021/22 self-assessment return where there is an 'initial overpayment'**

HMRC is reminding taxpayers that, when they have completed a self-assessment return for the 2021/22 tax year onwards which has resulted in an 'initial overpayment' of CGT, this 'initial overpayment' of CGT will be automatically offset against other self-assessment tax charges.

The 'initial overpayment' is based on the original 'CGT on UK property return' made. You can read more about initial overpayments [here](#).

Alternatively, the taxpayer has the option to amend their 'CGT on UK property return' prior to the submission of the self-assessment return.

Once the self-assessment return has been submitted, the taxpayer should not attempt to amend their 'CGT on UK property return' for the corresponding tax year.

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