

## **INHERITANCE TAX 2017/2018**

Due 6 months after the end of the month of death.

For chargeable lifetime transfers between 6<sup>th</sup> April and 30<sup>th</sup> September, the due date is 30<sup>th</sup> April in the following year.

For chargeable lifetime transfers between 1<sup>st</sup> October and 5<sup>th</sup> April, the due date is 6 months after the end of the month in which the transfer was made.

### **Transfers on or Within Seven Years Before Death**

Nil rate band to	£325,000
Residence nil rate band	£100,000
Rate of Tax on balance	40 %
Chargeable Lifetime transfers	20 %

From April 2012 if at least 10% of the NET estate is left to charity, the rate is reduced to 36%.

All lifetime transfers not covered by exemptions and made within seven years of death will be added back into the estate for the purpose of calculating the tax payable. This may then be reduced by taper relief.

### Charge on Gifts Within Seven Years of Death

Years Before Death	0-3	3-4	4-5	5-6	6-7
Tax Reduced By	0%	20%	40%	60%	80%

### Main Reliefs

Business Property	
Business or interest therein	100%
Qualifying Shareholders in unquoted* trading companies	100%
Land, Buildings, Machinery, or Plant used by Transferor's controlled company or partnership	50%
Agricultural Property	50% or 100%

\*Unquoted companies include those listed on AIM

### Main Exemptions

1. Most transfers between spouses and civil partners.
2. The first £3,000 of lifetime transfers in any tax year plus any unused balance from previous year.
3. Gift of up to but not exceeding £250 p.a. to any number of persons.
4. Gifts in consideration of marriage or civil partnership of: up to £5,000 by a parent, up to £2,500 by a grandparent, or up to £1,000 by any other person.
5. Gifts made out of income that form part of normal expenditure and do not reduce the standard of living.
6. Gifts to charities, whether made during lifetime or on death.