

# Accounting resource: Ownership of business premises.

“The ownership of business premises is a complex area and one in which there are many pitfalls. Careful planning will help avoid these and reduce risk.”

Chris Wilson, Director, Wilson Partners Ltd

## How should the ownership of business premises be structured?

### The tax issues

The taxes payable from exploitation of the property can vary significantly depending on the form of ownership. Possible taxes are:

### Taxes on gain on disposal and extraction of funds

Possible rates include: nil, 10%, 20%, 25%, 45%, 50%.

### Stamp duty land tax on purchase

Between 0% and 5%.

### Capital allowances on fixtures and fittings

Often overlooked! Maximise Capital Allowance claims and S198 elections.

## Ownership of business premises

### Inheritance tax

Exempt, 100% Business Property Relief (BPR), 50% BPR or fully taxable?

### VAT

Recovery of input tax, option to tax, partial exemption, capital goods scheme, group registration.

### Tax on rental income and premiums

Tax deduction for loan interest payments, arrangement fees etc and professional fees.

### The different forms of ownership

1. Current trading company (or partnership/sole trader business)
2. Separate company
3. Separate subsidiary company
4. Pension Scheme - SIPP / SASS
5. Own name (or joint with spouse)
6. Family Trust - UK
7. Family Trust - Overseas
8. Unlimited company
9. Limited Liability Partnership (LLP)
10. Offshore company.

### How we can help

1. Tax advice and recommendation on structuring, supported by financial modelling
2. "Hand Hold" through the legal process
3. Capital allowances review
4. Stamp Duty Land Tax planning
5. VAT consultancy.

