

## Budget Alert - Are You Prepared to Pay 50% Capital Gains Tax?

**Coalition... the road to perdition.**

The new coalition Government is now fully installed and there will be a Budget before the end of June. There is significant speculation about what may be included, the most alarming of which is the vaunted increase in the non-business rate of Capital Gains Tax from 18% to perhaps 20%, 40% or even 50% or, most probably, a combination of rates.

The uncertainties are will the rate rise, the coalition agreement makes clear the commitment to this, when will any increase apply from and will any increase be restricted to non-business assets only? We therefore advise you to look closely at your portfolio of assets and consider whether disposals could be accelerated if already planned or engineered in order to secure the current rate. There are means of securing the current rate without a third party disposal.

As alluded to above, caution should be exercised in relation to business assets as it is unclear whether they will be affected positively or negatively by the changes.

Please get in touch with your Chavereys contact if you would like to discuss this or any other issues concerning Budget speculation.

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