



GPs selling business premises post 5 April 2008

GPs selling their surgery premises on or after 6 April will not be hit as hard as expected by the proposed revisions to capital gains tax (CGT) thanks to a concession for entrepreneurs.

Following criticism of the 18% CGT rate and the end of business taper relief the Government has introduced a 10% rate on gains of up to £1 million for small businesses from 6 April 2008.

This change will be welcomed by many GPs approaching retirement since for many the £1 million limit will mean they will be facing a maximum tax rate of 10% on their gains.

Although not as generous as the pre 6 April 2008 CGT regime the changes are better than those originally proposed. However, the position for GPs who have already retired but continue to own their previous surgeries as an investment needs to be reviewed. There is a risk that the gain on the disposal of premises in those circumstances might not be covered by the new Entrepreneurs' relief.

If you have any queries, please give me a call.

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