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Double your tax savings - how to pass on up to £600,000 of tax-free inheritance .

No-one likes to pay tax.

Whether it's Income Tax, VAT or Stamp Duty Land Tax, the public perception is always one of loss of income and assets. Perhaps the most reviled tax of all is Inheritance Tax. Most people have little choice but to work hard for everything that they aspire to, and eventually own. For the majority, the natural desire is to pass on any amassed wealth to their remaining family or chosen associates on death.

Married couples often fail to maximise their tax free allowances, which results in up to £120,000.00 of Inheritance Tax being unnecessarily paid on death. Carefully drafted Wills, incorporating Nil-Rate Band Discretionary Trusts, and an equalisation of assets can significantly reduce or even erase this liability.

Many people find that the majority of their capital is tied up in their property and are concerned that this will prevent them from considering tax planning Wills. Changing the ownership of a property from Joint Tenants to Tenants in Common allows each owner to pass their share of the property through their Wills and utilise this interest in the property as part of the Nil-Rate Band Inheritance Tax allowance, which is currently £300,000. This opportunity to utilise their Nil-Rate Band allowance is wasted when the property is owned as Joint Tenants and passes automatically outside of the provisions of their Will from one party to the other.

There have been recent Inland Revenue decisions in relation to Nil-Rate Band Discretionary Trust Wills, whereby the tax planning provisions in the Will have been held ineffective. These decisions have been very case specific and generally relate to situations where each party to the relationship has not contributed financially to the assets. The financial contribution to the assets is an issue to be discussed in detail when taking Will instructions to ensure that the tax planning provisions within the Wills are suitably drafted to accommodate your particular circumstances. The recent decision by the Inland Revenue does not mean that Nil-Rate Band Discretionary Trust Wills are ineffective.

In real terms, the preparation of tax efficient Wills still provides the potential to pass an inheritance of up to £600,000.00 to your children or loved ones free of Inheritance Tax.

ACCREDITATION

For further advice contact Colin Hayward at Kingsfords Solicitors, 5-7 Bank Street, Ashford, Kent, TN23 1BZ. Telephone number 01233 665544.

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