



Development Land Tax Planning

Land Family Business was established in 2017 to provide specialist tax and accountancy advice to rural families who own farms and estates. We work in collaboration with solicitors, accountants, land agents and developers on many projects within the UK.

The National Planning Policy Framework was published on 27 March 2012 and revised on 24 July 2018 and sets out the government's planning policies for England and how these are expected to be applied. The Budget on 22 November 2017 announced the target of an additional 300,000 houses per annum, which will provide opportunities for landowners in certain areas to obtain planning permission.

The Oxford to Cambridge arc has been said to be one of the greatest opportunities for economic growth in Europe. All of this leads to an increasing number of potential sites being put forward for development and it is essential for the tax planning structures to be in place 3 years, or at least 12 months before any sale depending upon the structure and ownership of the farming business to enable the availability of Entrepreneurs Relief.

Many situations will involve areas of land in different ownership:

- Within families
- With neighbouring landowners

This will inevitably mean some sort of collaboration arrangement such as a land pooling trust based on the Jenkins v Brown Case, cross options or covenants between the landowners. Each will have their own tax and VAT implications. Dealing with each site requires a specialist team of professionals to advise on family relationships and succession, understanding farming structures, capital taxation and sometimes joint ventures such as contract farming and share farming. In particular:

- Personal lifetime planning for the landowners and their families - individual assessments.
- Interpretation of annual accounts - partnerships and companies.

- Farm structure agreements such as contract farming, share farming or FBTs.
- An understanding of the farming business structure including any inter family tenancies etc.
- A thorough knowledge of capital taxes and reliefs, the main consideration is usually Business Asset Development Relief. Inheritance Tax Planning and Succession will be equally important.

These opportunities will often result in a major change in the dynamics of the farming family and if the relationships and communications are not healthy and sometimes dysfunctional, the upheaval and receipt of a large amount of capital may result in a worsening situation. Investing some time in the actual family is equally as important as the tax planning.

To discuss further please contact Gary Markham
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KEY CONTACTS



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Gary specialises in setting up farming joint ventures and in solving problems in larger family owned agricultural businesses relating to strategic growth, inheritance planning and succession.



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Sam has a broad tax knowledge covering Income Tax, Capital Gains Tax and Inheritance Tax as well as a detailed knowledge of the associated tax compliance requirements.

