

UK Taxation Developments and their impact on independent historic houses

The **Gowers Report** called for exemptions from estate duty to be extended to buildings and land, as well as objects of national, historic, or artistic interest.



The *1975 Finance Act* introduced **conditional exemption** from Capital Transfer Tax.

That year, Historic Houses successfully petitioned against Labour's proposed Wealth Tax.

The amendments to *Inheritance Tax Act 1984* excluded properties with HMFs and conditional exemption from IHT.

Agricultural and Business Property Relief was set at 50 per cent for houses that could fulfil certain conditions.

The *Taxation of Chargeable Gains Act* established conditional exemption from **Capital Gains Tax** for historic houses open to the public.

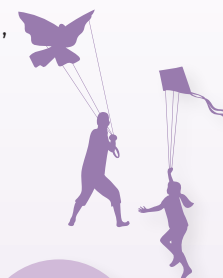
That year, APR and BPR was also increased to 100 per cent under certain conditions.



The *1998 Finance Act* extended public access requirements for conditional exemption, whilst also abolishing **One Estate Elections**.



Though new builds remained zero-rated, the VAT exemption was abolished for alterations to listed buildings.



1950

1973

1975

1976

1986

1988-9

1992

1994

1998

2004-6

2012

2013



With the introduction of **VAT**, a new tax was placed on the maintenance of independent historic houses.



Heritage Maintenance Funds (HMFs) were introduced.



With the introduction of **Business Rates**, charity run historic houses were offered relief, with no equivalent made for independent historic houses. However, new regulations in 1989 did ensure that unoccupied listed buildings were exempt.



Whilst VAT was still due for maintenance of independent historic houses, the *Value Added Tax Act* zero-rated approved alterations to listed buildings.



Various changes to Income and Inheritance Tax rates meant that HMFs yielded less revenue for repairs and maintenance.

Historic house owners could no longer offset commercial losses against other income with the end of **Sideways Loss Relief**.

