

Death and taxes

To quote the oft quoted Benjamin Franklin, "in this world nothing can be said to be certain, except death and taxes."

Whilst most of us can expect to pay tax during our lifetime, if not happily at least with resignation, it can be a bitter pill to discover just how much inheritance tax the remaining family members have to hand over to the Treasury once we are dead.

Currently, each person is allowed to have assets worth £312,000 (the NIL rate band) before a deceased person's estate has to pay inheritance tax. Once this threshold is breached, 40% tax is payable on the excess. Therefore, on an estate valued at (say) £400,000, the inheritance tax payable is currently £35,200. Now wouldn't you rather that this money went to the people that you want to benefit from what you've achieved and accumulated over your lifetime instead of the Treasury?

It is not necessary to have a lot of assets before the NIL rate band is breached. You could have fairly modest investments, but have a house worth quite a substantial sum, particularly in areas like Oxfordshire. Since your house is included in your estate for inheritance tax purposes you could pay more tax than you thought possible.

At Critchleys, we have dedicated staff who can help you plan and arrange your affairs so as to minimize as much as possible the inheritance tax that could be payable on your estate.

If you think you may be affected by this or for intelligent personal Tax planning advice please contact Janice Parker on 01865 261100. For further information, Critchleys have a dedicated tax planning website www.critchleys.co.uk/advisory

Notes

As a leading firm of chartered accountants and business advisers, Critchleys is committed to providing quality advice to businesses and individuals. Our approach is based on expertise, excellence and personal service. Critchleys' services include: audit and accounting, corporate finance, corporate tax, corporate recovery, financial outsourcing, financial planning, insolvency and bankruptcy, management accounting, payroll, personal tax, trusts and VAT.

Critchleys is a member of the UK200Group of independent chartered accountants www.uk200group.co.uk. We access local financial expertise on a global basis through our affiliation to JHI, an international network of accountancy practices. www.jhi.com

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