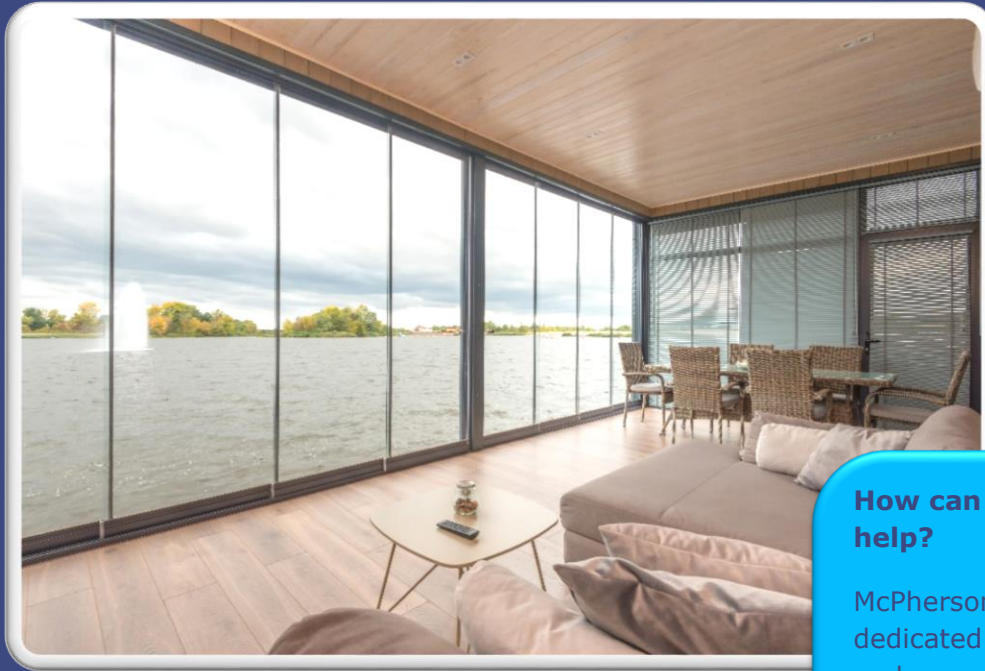


ATED (ANNUAL TAX ON ENVELOPED DWELLINGS)



What is ATED?

ATED is an annual tax payable mainly by companies that own UK residential property valued at more than £500,000. You will need to complete an ATED return (or we will complete one for you) if your property:

- ❑ Is in the UK
- ❑ Is a dwelling (it is a dwelling if all or part of it is used or could be used as a residence)
- ❑ Was valued at more than
 - £2 million (for returns from 2013 to 2014 onwards)
 - £1 million (for returns from 2015 to 2016 onwards)
 - £500,000 (for returns from 2016 to 2017 onwards)
- ❑ Is owned completely or partly by a company, partnership where any of the partners is a company, collective investment scheme

To find out types of property that are not classed as dwellings, [click here](#).

2023/24 is a revaluation year – what does this mean?

For 2023/24, for ATED filing and payment purposes, a revaluation of the property at 1 April 2022 is now required. This valuation will set the ATED charge you will pay for the next five years.

What are the ATED charges?

The 2023/24 ATED rates are:

Property Value	Annual Charge
£500,001 - £1m	£4,150
£1m - £2m	£8,450
£2m - £5m	£28,650
£5m - £10m	£67,050
£10m - £20m	£134,550
Over £20m	£269,450

Are there reliefs and exemptions from this tax?

Yes. For example, if you let to a third party and the property is not, at any time, occupied by anyone connected to the owner. For other exemptions, [see here](#).

How can McPhersons help?

McPhersons have a dedicated tax department and can complete your ATED return for you. These need to be completed even if you are exempt as you are claiming a relief otherwise a charge may be made and you may be barred from claiming the relief. **Penalties** for failing to deliver a return, late returns and not paying on time are also enforced. With many properties increasing in value, it may be worth considering 'de-enveloping' the property from the existing structure. We can assist with this and the potential taxes arising as a result – Capital Gains Tax and Stamp Duty Land Tax.

[Contact us](#) to find out more.

 **mcphersons**
chartered accountants and tax advisors