

## **MORGAN MCMANUS CAPITAL TAXES GROUP**

### **1. What are Capital Taxes?**

We at Morgan McManus have developed a substantial Capital Taxes practice within the last decade. Capital Taxes typically cover the following tax heads:

1. Inheritance Tax;
2. Gift Tax;
3. Capital Gains Tax;
4. Stamp Duty; and
5. Discretionary Trust Tax.

Capital Taxes are something that will affect all of us at some stage, either during our lives or upon our death. Death and Taxes are often cited as being two of life's certainties, but knowing when Capital Taxes apply is less certain. One needs to be aware of the effect of Capital Taxes when one buys or sells an assets or business, gives or receives a gift, makes a will, receives an inheritance. While our colleagues in the accounting profession constantly deal with "Revenue" Taxes, such as Income Tax, Corporation Tax and VAT, "Capital" Taxes tend to arise on a less frequent basis and, therefore, can often require the assistance of experts in order to deal with the tax implications of a transaction after it has happened, or indeed to plan one's affairs in such a way as to minimise such taxes. Tax planning in this area would involve inheritance tax planning, gift tax planning, estate planning for owner managed businesses, tax issues in the transfer of a family business, cross-border estate planning, residency issues relating to tax residency and domicile and the tax implications of Trusts.

Please visit our Articles section where you can find further information relating to these taxes.

### **2. What are the main Reliefs and Exemptions?**

We are happy to advise and deal with the various Relief and Exemptions that exist under the main Capital Tax headings. The main Reliefs and Exemptions available under Gift and Inheritance Tax (CAT) are

#### **CAT EXEMPTIONS**

- Small Gifts Exemption
- Gifts or Inheritances from Spouse
- Charities
- Objects of National Interest
- Retirement Payments
- Certain Securities
- Certain Insurance Policies
- Certain Inheritances taken by Parents
- Exemptions relating to retirement benefits
- Disclaimers of Gifts/Inheritances

## **CAT RELIEFS**

Agricultural Relief  
Business Relief  
Favourite Nephew Relief  
Relief from Double Aggregation  
Double Taxation Relief  
Relief for Capital Gains Tax Paid  
Relief for Acquisition by a Company of its own shares

## **CGT EXEMPTIONS**

Annual Exemption  
Chattels  
Options  
Non Chargeable Assets  
Life Assurance Policies and Deferred Life Annuities  
Woodlands  
Annuities and Covenants  
Disposal of Interest in Settle Property  
Superannuation Funds and Schemes  
EC Scheme for retirement of farmers  
Debts  
Miscellaneous Receipts and Windfalls

## **CGT RELIEFS**

Compensation and Insurance Receipts  
Disposal of a business to a Company  
Retirement Relief  
Principal Private Residence Relief  
Disposal of a Site to a Child  
Reconstructions and Amalgamations  
Group Relief  
Miscellaneous Reliefs

## **STAMP DUTY EXEMPTIONS**

New Houses and Apartments  
First Time Buyers  
Transfer of a Site to a Child

## **STAMP DUTY RELIEFS**

Consanguinity (Blood Relative) Relief  
Associated Companies  
Company Reorganisations  
Certain Mortgages  
Transfers to Young Farmers  
Farm Consolidation Relief

### **3. Who works in the Morgan McManus Capital Taxes Group?**

The Morgan McManus Capital Taxes Group is led by Fergal McManus and Colin O'Neill. The Firm takes a multi-disciplinary approach in respect of dealing with the issue of Capital Taxes.

Fergal McManus, Solicitor who practices in the Republic of Ireland and Northern Ireland, also trained to be a Registered Tax Consultant with the Irish Taxation Institute and has extensive experience in dealing with all areas surrounding Capital Taxes particularly those relating to property transactions.

Colin O'Neill, Solicitor, also trained with the Society of Trust and Estate Practitioners and he has gained particular knowledge in the areas of gift tax, inheritance tax and the taxation of trusts which he has developed over many years dealing with the administration of estates of deceased persons.

Fergal McManus and Colin O'Neill together have a broad and indepth understanding of the numerous issues that can affect a capital tax event in a client's life.