

## Part 2- Inheritance Tax- Budget Change

Inheritance Tax ("IHT") is a tax on the value passing from one individual to another person (could be another individual, a trust or a company). This typically arises when an individual dies and all of the property; the deceased own passes to beneficiaries. This tax is levied on the net estate of an individual where the value of the estate exceeds £325,000. This amount is known as nil rate band ("NRB"), basically, if the net estate of an individual is less than this amount, it will not attract tax. This allowance is transferrable between spouses and civil partners. Another allowance known as Residence NIL Rate Band has been ignored for time being.

The NRB is currently £325,000, this threshold has been applied from 6th April 2009 and will remain at that level until 5th April 2031. This was announced at Budget (Nov-25).

Since 2009, property values have risen steadily, particularly in London and the surrounding areas. As a result, more estates are now falling within the scope of IHT. Looking ahead, if property prices continue to climb, an event occurring after 2031, could leave more families facing unexpected tax liabilities.

By seeking professional advice in advance, it is often possible to significantly reduce or even eliminate exposure to IHT.

To learn more, or to talk through any other tax concerns, we invite you to contact us today for a free initial consultation @ [aktaxconsultancy@outlook.com](mailto:aktaxconsultancy@outlook.com) or call us at 0788 2818 565 or 020-3743-7309.

### Disclaimer

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