# UK Landowners Fast-track Property Transfers Amid Election Inheritance Tax Concerns



The announcement of a general election in the UK set for July 4 has prompted wealthy landowners to fast-track property transfers to heirs due to concerns over potential changes to inheritance tax under a Labour government. Rachel Reeves, the shadow chancellor, indicated that Labour would review all tax breaks if elected, although they have ruled out scrapping agricultural property relief.

Inheritance tax in the UK is levied at 40% on the value of an individual’s estate exceeding a tax-free allowance of £325,000. Reliefs, such as those for agricultural and business property, can reduce the tax burden. Advisers like Peter Harker from Saffery and Joseph Adunse from Moore Kingston Smith have noted an increase in clients accelerating lifetime gifts to take advantage of current reliefs before any possible policy changes.

Agricultural property relief and business property relief offer up to 100% tax relief to prevent the sale or break-up of farms and businesses upon death. According to a survey by Saffery and Historic Houses, 56% of respondents identified minimizing inheritance tax as their primary aim in succession planning.

Recent inheritance tax receipts have risen, with HM Revenue & Customs reporting a record £5.76 billion collected in 2020-21. Labour is polling strongly ahead of the election, and many landowners are taking pre-emptive action in response to the potential for stricter tax regulations. The impending election results could significantly impact estate planning and taxation strategies for wealthy UK landowners.