

# utk

Ungoed-Thomas & King  
Solicitors • Cyfreithwyr

# utk

The Quay  
Carmarthen  
Carmarthenshire  
SA31 3LN

Y Cei  
Caerfyrddin  
Sir Gaerfyrddin  
SA31 3LN

Telephone: 01267 237441

Fax: 01267 238317

E-mail: [mail@utk.co.uk](mailto:mail@utk.co.uk)

Rhif ffôn: 01267 237441

Ffacs: 01267 238317

E-bost: [mail@utk.co.uk](mailto:mail@utk.co.uk)

**Lexcel**  
Practice Management Standard  
Law Society **Accredited**

Ungoed-Thomas & King Limited  
Company registered in Wales no.: 2755783  
Authorised and regulated by the  
Solicitors Regulation Authority no: 471940

## Keeping the Family Farm



[www.utk.co.uk](http://www.utk.co.uk)

UNDERSTANDING | TRUST | KNOWLEDGE



Many farming families have been in agriculture over several generations and have handed on the farm from father to son or daughter at the end of their days, without having to worry about Inheritance Tax. Unfortunately, that is no longer the case. The tax man will almost routinely decide that only a proportion of the value of the farmhouse, (usually 70%) and sometimes only a proportion of the land and other buildings, is tax-free. Added to that, unless the farmhouse was occupied by the person running the farm on a day-to-day basis, the chances are that no relief will be given against it for Inheritance Tax. That can be a problem for ageing farmers, who are no longer in a position to carry out the hands-on management of the farming business.

Most farms do not have enough spare cash or other available assets to pay a large Inheritance Tax bill. For that reason alone, it is vital that farmers and their families obtain the right advice to plan for the future of the business and to make sure that the farm can be handed on to the next generation without the burden of extra debt.

There are other concerns too. One is if the farm is passed on to a son or daughter, what happens if they go through a divorce and half of the assets are up for grabs?

Another is how are family assets to be divided fairly between the child who has worked throughout their whole life on the farm and another child who has had little or nothing to do with it?

There is no off-the-shelf answer to these problems, but at Ungoe-Thomas and King, there are professional advisers who understand these issues and are used to handling them. They have an in-depth and up-to-date understanding of the way in which Inheritance Tax works in relation to farms and an experience of handling the HM Revenue and Customs and the District Valuer.

At Ungoe-Thomas and King, we have been advising the farming community for over 100 years and have been recognised in national publications as well as locally for our experience in these matters. We work closely with other professionals and farming organisations and want to see farming continue over future generations. If you are farming and these issues concern you, please contact us for an appointment.

