

BOOK REVIEW

Tax Planning for Farm and Land Diversification (3rd Edition)

Julie Butler (Editor)

Published April 2011 by Bloomsbury Professional, Haywards Heath, UK. Soft back. ISBN: 978 1 84592 485 0. Price: £95. Length: 576 pages.

This text provides comprehensive coverage of the national taxation treatment of diversified farm activities in the UK. To get the most out of it, readers will find it helpful if they already have a basic understanding of the main principles of Income Tax, Capital Gains Tax, Inheritance Tax and VAT. Over thirty types of diversified activities are covered ranging from the more traditional such as adding value to produce or converting redundant farm buildings through to more recent developments such as wind farms or renting sites for mobile phone masts.

The farming/diversification boundary is explored in detail. It was interesting to note that studs and breeding racehorses are considered to be farming while a farmer using land and building for DIY horse livery has crossed the boundary and is regarded as diversified.

Other chapters look at specific aspects of tax planning on farms such as protecting the farmhouse, farm assets and stock from tax, or planning for death, divorce or unforced sales. Advice is given on protecting the core farming business and there are tips on pitfalls to avoid when diversified activities are entered into. There is quite extensive coverage of the interaction of

Agricultural Property Relief and Business Property Relief from Inheritance Tax with analysis of all the recent cases in this area including *Antrobus 1 & 2*, *Arnander (McKenna)*, *Farmer* and *Balfour*.

This is definitely a book for dipping into, for looking up advice on specific questions such as ‘Will the sale of furnished holiday lets on a farm qualify for Entrepreneur’s Relief?’ Sadly, as tax is so complex, there will not be a single answer; further questions will need to be asked about the number of days the property is available to let and is actually let, and whether it was sold before or after 6th April 2011, but this book will set out the various permutations and advise accordingly.

The book does have one major omission in that while it purports to give comprehensive tax planning advice for farm and land diversification there is no chapter on local taxation. Diversification has a significant local tax impact as farmers lose the agricultural exemption from business rates when they, for example, set up a farm visitor attraction or start other non-farming enterprises. So please publishers, a chapter on local taxation for the next edition!

While it is certainly not a book for reading cover to cover (but what tax book is?) and it is likely to confuse those who do not have a basic grasp of tax terminology, overall I would recommend this text for those looking for detailed tax advice on the implications of farm and land diversification.

Susan Ragbourne¹

¹ Senior Lecturer in Rural Land Management, Harper Adams University College, Shropshire, UK.