

## **Civil Partners to Get Tax Equality**

In his Budget, Chancellor Gordon Brown announced that civil partners (same-sex couples who form a civil partnership) will be treated in exactly the same way as married couples for tax purposes.

The Inland Revenue has issued a bulletin (<http://www.inlandrevenue.gov.uk/budget2005/revbn28.htm>), outlining the changes.

In general, these are beneficial for same-sex couples. However, not all the changes will be to their advantage. For example, couples who decide to enter into a civil partnership will only be able to have one principal private residence (PPR). PPRs are exempt from Capital Gains Tax. Also, a civil partner will become an 'associate' of a company director, which may have an effect on his or her tax position as regards benefits in kind. In addition, anti-avoidance legislation for all taxes is being extended to include civil partners.

Another important thing to remember is that if you enter into a civil partnership, you will need to execute a new will as your old one becomes void once the partnership is formed.

Civil partnerships will be introduced in December 2005.