

Please check your Business Asset Disposal Relief claim

We're writing to you because you included a Business Asset Disposal Relief (BADR) claim in your 2022 to 2023 Self Assessment return. BADR was previously known as Entrepreneurs' Relief.

Our records show that you've exceeded the lifetime limit of £1 million prior to submitting your latest Self Assessment return. This means your claim is unlikely to be accepted and you'll need to pay tax on the capital gain at the normal Capital Gains Tax rates.

The limit was reduced from £10 million to £1 million on 11 March 2020. If you have already claimed £1 million or more before this date, you have already reached your limit. This means you will not be able to claim any future BADR.

To find out more information on BADR, go to GOV.UK and search 'HS275 Business Asset Disposal Relief'.

What you need to do now

You need to amend your 2022 to 2023 Self Assessment return to remove your claim for BADR.

Please make this amendment by [\[SEES to insert date 30 days ahead\]](#).

To amend your Self Assessment return, go to GOV.UK and search 'Self Assessment tax returns'.

Due to the change to your Self Assessment return, it's likely that additional tax will be due.

If you do owe us tax, we'll charge interest on any tax that's paid late. Go to GOV.UK and search 'pay your Self Assessment tax bill' for more information.

If you think you haven't exceeded your limit

If you think your current claim is correct, and you haven't exceeded your lifetime limit of £1 million, you can contact us using the details at the top of this letter. We will consider any information you give us.

If you don't contact us or amend your Self Assessment return

If you don't contact us or amend your Self Assessment return by [\[SEES to insert date 30 days ahead\]](#), we might amend your Self Assessment return ourselves, or we might open an enquiry, also known as a compliance check.

If our compliance check shows that additional tax is due, interest will need to be paid on any overdue amounts. We may also charge you a penalty. For more information about penalties, go to GOV.UK and search 'inaccuracy penalties'.

Please remember, it is your responsibility to make sure your Self Assessment return is complete and correct.

For help and advice

If you need help filling in your Self Assessment return, go to GOV.UK and search 'help with Self Assessment'.

If you still have questions after reading the guidance, for example, you want to know how to make a payment, you can:

- phone us on 03000 579 222 between 9am and 5pm, Monday to Friday - this phonenumber will close two months from the date of this letter
- email us at responseteam3@hmrc.gov.uk

If you contact us by email, please read the enclosed factsheet 'Corresponding with HMRC by email' first.

Please note that:

- we can't correct your tax return over the phone or help you work out if you owe Capital Gains Tax
- it might take us longer to reply to you if you send us a letter rather than an email

If you've authorised us to deal with your agent, we've sent them a copy of this letter. You may wish to discuss this letter with them.

If you contact us, we can deal with you more quickly if you quote our reference number and give us your contact details.

Yours sincerely

Wealthy & Mid-sized Business Compliance

Join the millions of taxpayers already using their Personal Tax Account to access a range of services. It takes just a few minutes to get started, go to GOV.UK and search 'personal tax account'. Or you can use the HMRC app.

To find out about the service and standard of behaviour you can expect from us, go to GOV.UK and search 'HMRC Charter'.