

PRESS RELEASE

For immediate release

VINEYARD OWNERS SAY 'CHEERS' TO THE TAXMAN



Owners of vineyards will be raising a glass to the Treasury this month after an HMRC decision to allow land used in the production of wine and cider to qualify for beneficial treatment for Inheritance Tax.

With land being bought for viticulture in excess of £15,000 per acre and the same again, or more, spent on establishment costs, owners are investing large capital sums in order to create mature productive vines. APR is designed to provide 100 per cent relief to the agricultural value of farmland which encompasses many conventional operations. Previously, vineyards would be valued much higher than mainstream farmland on a per acre basis and therefore would not receive full tax reliefs.

This update will now account for the higher “agricultural value” of vineyards so many owners who would feel their vineyard is just as much a farm as the next-door shepherd’s or grain grower’s will not be penalised.

“This is excellent news for a booming industry in Southern England,” believes Andrew Bays, partner at BCM Rural Property Specialists in Winchester.

“Vineyard owners have long wished for this reform as they have felt unnecessarily marginalised from the wider farming industry. The production of English still and sparkling wines should be supported and encouraged in the Southern regions, which are best suited to vines.

“The number of vines in the country has virtually doubled in the last 10 years and has become an important player in both the domestic market and budding international export market.

“This update by HMRC on IHT relief guidance will give longstanding incumbent vineyards the assurance to carry out longer term planning, expand, and reinvest whilst it may encourage potential new entrants to take the costly plunge into a burgeoning marketplace with the peace of mind that the investment should enjoy IHT relief in the long run.

“We are seeing a developing interest from clients with regard to vineyards. One benefit of climate change is that our weather is becoming more suited to viticulture while traditional European growing areas are beginning to struggle. HMRC has literally uncorked an opportunity!”

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For more information, contact Andrew Bays, BCM LLP.

Call: +44(0)1962 763 900 Email: info@bcm.co.uk

