

Can I gift the shares to my spouse and transfer the income to him/her?

Income shifting means transfer of income by a higher rate taxpayer to basic rate taxpayer. Before April 2008 companies were formed and husband wife can own them jointly and non-active or non-working spouse can be rewarded highly in the form of dividends. Since April 2008 revenue has to them jointly and non-active or non-working spouse can be rewarded highly in the form of dividends. Since April 2008 revenue has become very strong against income shifting.

We suggest that we can still transfer the income to non-active partner. Gifting the shares to them through gift deed can do this. They should have full rights over the shares. This can be good way of transferring the income and increasing your returns in hand.

Tip: Gift your shares and register them through gift deed.

