



Tax Relief Changes April 2017

Following on from previous newsletters, this is a timely reminder of the up and coming changes in tax relief for landlords which are being phased in from this April

You will be affected if:

- You are a UK resident landlord that lets out a property in the UK or overseas
- You are a non resident landlord
- You are in a partnership and let properties
- You are a trustee or beneficiary of trusts liable for income tax on property

All landlords with mortgage finance, property related loans or overdrafts will be affected.

You will not be affected if:

- You are a company
- You run holiday lets

What will be affected:

- Interest on mortgages, property related loans or overdrafts
- Loans for furniture
- Fees and incidental costs involved in acquiring the above

How this will work:

This restriction is being phased in from 6th April 2017 and will be fully imposed by 2020

| Tax Year | % of finance costs deductible from rent | % of Basic Rate Tax deductible from rent |
|-----------|-----------------------------------------|------------------------------------------|
| 2017/2018 | 75% | 25% |
| 2018/2019 | 50% | 50% |
| 2019/2020 | 25% | 75% |
| 2020/2021 | 0% | 100% |

For more information: Speak to you accountant or refer to the following

<https://www.gov.uk/topic/personal-tax>

<https://www.gov.uk/government/news/changes-to-tax-relief-for-resident-landlords>

