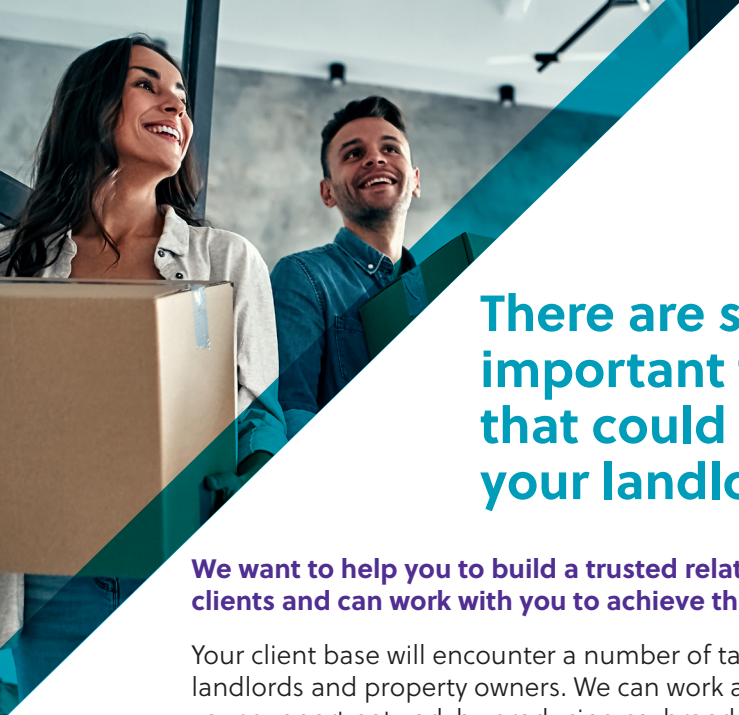




Our guide to property taxation



There are some important tax rules that could affect your landlords.

We want to help you to build a trusted relationship with your clients and can work with you to achieve that.

Your client base will encounter a number of tax related issues as landlords and property owners. We can work alongside you to build your support network by producing co-branded information guides on key areas of taxation and to provide your clients with access to top quality support from specialist teams.

So what do landlords need to know? This leaflet provides you with an overview but you can find more on our website at www.monahans.co.uk/articles/property-taxguide or by contacting one of our experts.

ATED – Don't forget to revalue!

At present, properties valued at more than £500,000 may be caught by this regime.

The ATED rules require that UK residential properties valued in excess of £0.5m that are held by companies and similar entities are revalued every five years and the most recent revaluation date was 1st April 2022.

78%

ATED Fact: Of the 21,730 ATED relief declarations filed during the 20-21 financial year, 78% were filed by landlords

Residential Property Sales – 60 Day Reporting

Since 6th April 2020, those who realise a taxable capital gain from the sale or other disposal (such as a gift) of a residential property must report this to HMRC and pay within 60 days of completion.

Capital Gains Tax Fact: HMRC Collected £41 billion in capital gains taxes during the 2021-22 tax year.



Making Tax Digital – It's Coming.....

From April 2024 individual landlords with annual gross income in excess of £10,000 will be required to make quarterly reports to HMRC under Making Tax Digital (MTD).

This is arguably the biggest change to individual tax reporting since the introduction of self-assessment in 2000 and the effect on landlords is expected to be substantial.

MTD Fact: The English Private Landlord Survey 2021 published in May 2022 advised that there are 4.4 million households in the private rented sector.



Non-Resident Property Owners – Know Your Obligations

Non-resident individuals letting out a property in the UK need to pay UK income tax on the rental income received. The tenant of the property will ordinarily be required to withhold basic rate tax from rent paid to a non-resident landlord although this obligation can fall onto an agent if the property is managed.

Non-UK resident companies are also within the UK tax net. With effect from 6th April 2020 non-resident entities receiving income from UK property are required to pay corporation tax and, in most circumstances, must file annual accounts and UK corporation tax returns.

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