

Use these notes to help you fill in the UK property pages of your tax return

Fill in the 'UK property' pages if you receive:

- rental income and other receipts from UK land or property
- income from letting furnished rooms in your own home
- income from Furnished Holiday Lettings (FHL) in the UK or European Economic Area (EEA)
- premiums from leasing UK land
- inducements to take an interest in letting a property (a reverse premium)

If you receive income from letting furnished accommodation in your home that amounts to a trade, for example, you run a guest house or offer bed and breakfast, you need to fill in the 'Self-employment' pages.

If you receive income from Real Estate Investment Trusts (REITs) and Property Authorised Investment Funds (PAIFs) dividends and distributions, put these amounts in box 17 on page TR3 of your main tax return.

If you receive income from land and property overseas, you need to fill in the 'Foreign' pages. **Don't** include EEA FHL income. You must put this income in the 'UK property' pages. However, if your income from an FHL is taxable on the remittance basis, fill in the 'Foreign' pages. To use the remittance basis form of taxation, you must be a UK resident but not domiciled in the UK, and have foreign income and gains.

If you want to claim Foreign Tax Credit Relief on any foreign tax paid on your EEA FHL, fill in the section 'Foreign tax paid on employment, self-employment and other income' on page F 6 of the 'Foreign' pages.

If you receive property income as part of your income from a partnership, you need to fill in the Partnership (full) pages.

Accounts

If your accounting period for your property income doesn't end on 5 April 2016, apportion the figures in your accounts to cover the tax year 6 April 2015 to 5 April 2016.

If you're in the Managing Serious Defaulters (MSD) programme, fill in all the relevant boxes. If you're the subject of additional reporting requirements, you **must** also send a detailed profit and loss account, balance sheet and computations with your tax return and do either of the following:

- tell us about any figures that you don't have records for, from the time of the transactions
- confirm that you've records for all the figures in your accounts

You cannot use cash basis for property income.

Your name and Unique Taxpayer Reference

Fill in your full name and Unique Taxpayer Reference (UTR) in the boxes at the top of the form.

UK property details

Box 3 If you have any income from property let jointly

If you own and let property jointly put 'X' in the box. If so, you only need to put your share of the income and expenses in the 'UK property' pages.

We tax your shares equally if you live with your spouse. If you want your income and expenses apportioned differently, fill in form 17, 'Declaration of beneficial interests in joint property and income'.

If you receive notice of your share of the income (or loss) after expenses, put the income in boxes 5 or 20, or the loss in boxes 9 or 29. Tell us the name and address of the person who prepares your property records in the 'Any other information' box on page TR 7 of your tax return.

Box 4 If you are claiming Rent a Room relief and your rents are £4,250 or less

If you let furnished rooms in your home and your total income was less than the Rent a Room exemption, £4,250 (£2,125 if let jointly) put 'X' in box 4.

If your total income was more than the exemption, you can either:

- pay tax on the excess – without taking off any expenses – put your total income in box 20 and the exempt amount £4,250 (or £2,125) in box 37
- work out your profit from letting in the usual way – the amount in box 20 minus any allowable expenses in boxes 24 to 29 – don't put anything in box 37

 For more information, go to www.gov.uk and search for 'HS223'.

Furnished holiday lettings (FHL) in the UK or European Economic Area EEA

There are special rules for furnished holiday lettings. You may be able to claim certain Capital Gains Tax reliefs, and capital allowances for items such as furniture and fixtures.

You need to work out the profit or loss from your FHL separately to take advantage of these rules.

Your property will qualify as an FHL if it's in the UK or EEA and will be, for the 2015 to 2016 tax year:

- available for holiday letting for 210 days or more
- let as holiday accommodation for 105 days or more

 For more information, go to www.gov.uk and search for 'HS253'.

EEA businesses

If you pay tax on your income on the remittance basis, fill in the 'Foreign' pages. If you have an FHL business in the EEA, fill in boxes 1 to 3 (ignore the heading 'UK property details'), boxes 5 to 19 and put 'X' in box 18.

You'll need to use separate 'UK property' pages for your UK and EEA FHL business if you have both. You don't need separate pages for each individual property.

Box 5 Income

Put the total amount of income from all your FHL (including income from services you provide to tenants) in box 5.

If you're a non-resident landlord, put your gross amount (without tax taken off) of FHL income in box 5 and any tax taken off in box 21.

Boxes 6 to 12

If you're claiming for certain FHL business costs, fill in boxes 6 to 12.

If your total property income (including FHL income) before expenses is below £82,000, add up your FHL expenses and put the total in box 9.

Box 6 Rent paid, repairs, insurance and costs of services provided

You can claim FHL expenses, such as:

- rents, rates, insurance and ground rent
- property repairs and maintenance
- costs of services you provided, including wages
- insurance against loss of rents – however, if you claim under your own insurance policy, put any money you received in box 5

You can claim capital allowances on some of your capital costs (see box 25), and you can claim the cost of renewing small items such as cutlery (you can't claim the original cost of the item or for any improvement). If you received any money for your replaced items, take that amount off your replacement costs.

The renewals allowance for the cost of replacing furniture or furnishings is no longer available.

Box 7 Loan interest and other financial costs

You can claim the costs of getting a loan or alternative finance to buy a property that you let, and any interest on such a loan or alternative finance payments.

Box 8 Legal, management and other professional fees

You can claim:

- management fees paid to an agent for rent collection, advertising and administration
- legal and professional fees paid for renewing a lease (if the lease is for less than 50 years)
- professional fees paid to evict an unsatisfactory tenant in order to re-let the property
- any costs for appealing against a compulsory purchase order

You can't claim:

- any costs for the first letting or subletting of a property for more than a year
- the costs for agreeing and paying a premium on renewal of a lease
- any fees paid for planning permission or registration of title on property purchase

Box 9 Other allowable property expenses

Other allowable expenses include:

- stationery, phone, business travel and

miscellaneous costs

- part of a premium paid to a landlord for the lease (if you are subletting)
- any foreign tax taken off your European Economic Area (EEA) Furnished Holiday Lettings (FHL) income (unless you are claiming Foreign Tax Credit Relief for it on the 'Foreign' pages). If you're a non-resident FHL landlord, put the UK tax taken off in box 21 instead

If you are not sure how to work out the amount to put in box 9, ask us or your tax adviser.

Box 10 Private use adjustment

If you put an amount in box 6 that wasn't solely for the business, put the private (non-business) amount in box 10. For example, if you include the full annual cost of insuring the property in box 6, but only let it for 8 months because you used it for 4 months, put the 4 months non-business cost in box 10.

Box 11 Balancing charges

If you sold, gave away or stopped using an item in your business that you claimed capital allowances for, you may have to include a balancing charge. Put this amount in box 11.

Box 12 Capital allowances

If you're claiming capital allowances for any equipment or vehicles for your FHL (not other furnished residential lettings), put the amount in box 12.

i For more information on capital allowances and balancing charges, go to www.gov.uk/business-tax/capital-allowances or contact your tax adviser.

Boxes 13 and 16

Use the Working Sheet below to work out your adjusted profit or loss. If you made a profit, put the amount in box 13. If you made a loss, put the amount in box 16.

Box 14 Loss brought forward used against this year's profits

If you made a loss in the 2014 to 2015 or earlier tax years, put the amount in box 14. This mustn't be more than the amount in box 13.

If you made a loss in another property business (not an FHL), you can put (up to the amount in box 13) that loss in box 14.

Working Sheet for furnished holiday lettings profit or loss (boxes 13 and 16)

Income box 5

A £

Add

Private use adjustment box 10

B £

Balancing charges box 11

C £

Total add boxes A to C

D £

Minus

Expenses box 6

E £

Loan interest, etc box 7

F £

Legal, management fees, etc box 8

G £

Other allowable expenses box 9

H £

Capital allowances box 12

I £

Total add boxes E to I

J £

Profit or loss box D minus box J

K £

If the amount is positive, you have a profit. Copy to box 13.

If the amount is negative, you have a loss. Copy to box 16.

Box 15 Taxable profit for the year

If you had no losses in earlier years, put the same figure you used in box 13, in box 15.

Box 17 Total loss to carry forward

You can carry your loss forward to set against any future profits. If you had any FHL losses from earlier years that you've not already used up, put them in box 17.

Box 18 If this business is in the EEA, put 'X' in the box

If you have several properties in different EEA states, you only need to fill in 1 'UK property' page for your EEA businesses.

Box 19 If you want to make a period of grace election

If a property qualified as an FHL in the 2014 to 2015 tax year but didn't qualify in the 2015 to 2016 tax year, you can make an election for a period of grace.

 For more information, go to www.gov.uk and search for 'HS253'.

Property income

Box 20 Total rents and other income from property

Put your total property rental income (not profits from an FHL) in box 20. Include income from:

- a tenancy
- leasing or licensing agreements over your land or property
- any land
- furnished, unfurnished, commercial and domestic accommodation (including amounts you receive for the use of furniture), except where you run a guest house or bed and breakfast
- any 2015 to 2016 rental income paid after 5 April 2016. **Do not include** rents paid in advance for the 2016 to 2017 tax year

Also include other income, such as:

- rent charges and ground rents
- income from letting others tip waste on your land
- income for the use of a caravan or houseboat at a fixed location
- income from the grant of sporting rights
- receipts from a film crew who pay to film on your land or in your house

- way leaves if the land to which the way leaves relates is used in your property rental business
- local authority grants towards the cost of repairs

If you're a non-resident landlord, put the total of your rental income (without tax taken off) in box 20, and the total tax taken off in box 21.

Box 21 Tax taken off any income in box 20

Only fill in this box if you're a non-resident landlord.

Box 22 Premiums for the grant of a lease

If you've received premiums for the grant of a lease and other lump sums to possess a property, use the Working Sheet below to work out the amount to put in box 22.

If the lease is up to 50 years, the premium is treated as part capital and part income. **Only include** the income part in box 22. **Do not include** any lease over 50 years in box 22.

Working sheet for box 22

Premium	A	£	<input type="text"/>
Number of 12-month periods in the lease. Ignore the first 12 months	B		<input type="text"/>
50 minus box B	C		<input type="text"/>
Box C divided by 50	D		<input type="text"/>
Box A multiplied by box D Copy to box 22	E	£	<input type="text"/>

Box 23 Reverse premiums and inducements

Put any payment or benefit you got as an inducement to take an interest in a property (a 'reverse premium'), in box 23.

Property expenses

You can claim for the running costs of your rental business.

If your total property income before expenses (including income from furnished holiday lettings) is below £82,000, add up your expenses and put the total (minus any FHL expenses) in box 29.

Do not include the cost of buying, selling, improving or altering any land, property, equipment, furnishings or furniture. These are capital costs.

Box 24 Rent, rates, insurance, ground rents etc

You can claim:

- the rent for a lease of a property you let
- business rates, water rates and Council Tax
- property and contents insurance
- insurance paid against loss of rents – however, if you claim under your own insurance policy, put any money you received in box 20
- ground rents

Box 25 Property repairs and maintenance

Expenses you paid out to maintain your property, for example:

- exterior and interior painting, damp treatment, stone cleaning or roof repairs
- furniture repairs
- repairs to any kind of machinery supplied with the property

You can claim the cost of renewing small items such as cutlery, but you can't claim the original cost of the item or the cost of any improvement.

If you received any money for your replaced items, take that amount off the replacement costs.

The renewals allowance for the cost of replacing furniture or furnishings is no longer available.

Box 26 Loan interest and other financial costs

You can claim the costs of getting a loan or alternative finance to buy a property that you let, and any interest on such a loan or alternative finance payments. You can only treat the interest part of a mortgage payment as an expense. Capital repayments made on a repayment mortgage aren't allowable expenses

Box 27 Legal, management and other professional fees

You can claim:

- management fees paid to an agent for rent collection, advertising and administration
- legal and professional fees for renewing a lease (if the lease is for less than 50 years)
- professional fees paid to evict an unsatisfactory tenant in order to re-let the property
- the costs of appealing against a compulsory purchase order

You can't claim:

- any costs for the first letting or subletting of a property for more than a year
- the costs for agreeing and paying a premium on renewal of a lease
- any fee paid for planning permission or registration of title on property purchase

Box 28 Costs of services provided, including wages

This includes any services that you provide to your tenants such as, communal hot water, gardening or cleaning.

If you receive any income for the services that you provide, include this as property income.

Box 29 Other allowable property expenses

Other allowable expenses include:

- stationery, phone, business travel and miscellaneous costs
- part of a premium paid to a landlord for the lease (if you're subletting)

If you are not sure how to work out the amount to put in box 29, ask your tax adviser.

Calculating your taxable profit or loss

Box 30 Private use adjustment

If you put any amounts in boxes 24 to 29 that weren't solely for the property business, put the private (non-business) amount in box 30.

For example, if you've included the full annual cost of insuring the property in box 24, but only let for 8 months a year because you used it for the other 4 months, put the 4 months non-business cost in box 30.

Box 31 Balancing charges

If you sold, gave away or stopped using an item in your business that you claimed capital allowances for, you may have to include a balancing charge. Put this amount in box 31.

Box 32 Annual Investment Allowance

You can claim Annual Investment Allowance (AIA) if you bought equipment (but not cars) during the year. You can claim AIA up to a maximum annual amount. You can't claim AIA for expenditure on equipment and other items for use in a dwelling house.

 For more information, go to www.gov.uk/business-tax/capital-allowances or contact your tax adviser.

Box 33 Business Premises Renovation Allowance (BPPRA)

You may be able to claim 100% BPPRA for the cost of renovating or repairing business premises. To qualify, it must be in an Assisted Area and unused for at least 1 year before the work to bring them back into business use started.

i For more information about BPPRA, go to www.gov.uk/guidance/business-premises-renovation-allowance-bpra or CA45000 in the Capital Allowances Manual at www.hmrc.gov.uk/manualsa-z

Box 34 All other capital allowances

The type of capital allowance and amount that you can claim will depend on the cost, type of asset and other circumstances. For example, you can only claim capital allowances for furniture and fixtures or other equipment for use in a dwelling house if it qualifies as a Furnished Holiday Letting (FHL). Put your total capital allowances in box 34.

You may be able to claim some of these allowances:

- 100% allowance for energy-saving equipment and new cars with low CO₂ emissions (up to 75g/km)
- 18% writing down allowance (WDA) on the balance of your purchases after deducting any Annual Investment Allowance (AIA) if your total costs were more than the maximum amount
- 8% WDA for 'special rate' equipment such as electrical systems and cars with higher CO₂ emissions (over 130g/km)

Fixtures

There are new rules for claiming capital allowances if you buy, sell or lease a property with fixtures.

From April 2012 if you buy or sell a property that has fixtures (for example, kitchen fittings, electrical or heating systems) you must agree the part of the purchase price to be attributed to those fixtures with the other party to the sale. You should have a mutual agreement by means of a joint election (called a 'section 198' or 'section 199' election) which you must tell HM Revenue & Customs about within 2 years of the date of transfer.

From April 2014 if you buy or sell a property the new owner won't be able to claim allowances for fixtures if the previous owner did not pool their qualifying expenditure on the fixtures. Pooling includes making a claim for First Year Allowance or AIA in respect of the expenditure. The last owner doesn't have to claim writing down allowances. As a rule, the previous owner is the last person who was entitled to claim capital allowances on fixtures.

i For more information, go to www.gov.uk/business-tax/capital-allowances

Box 36 10% wear and tear allowance

If you let any residential accommodation (other than as an FHL) you can't claim capital allowances on items used in the dwelling house. The renewals allowance for the cost of replacing furnishings and machinery is not available after the 2012 to 2013 tax year.

If you let fully furnished accommodation you can elect to claim a wear and tear allowance by putting an amount in box 36. The amount available is 10% of the net rents (including chargeable premiums and reverse premiums) after deducting charges or services that a tenant would usually pay for but which are, in fact, paid by you (such as Council Tax).

Box 37 Rent a Room exempt amount

If you've put any Rent a Room income in box 20, put the exempt amount you're claiming (either £4,250 or £2,125, if let jointly) in box 37.

Boxes 38 and 41

Use the Working Sheet on page UKPN 7 of these notes to work out your adjusted profit or loss. If you made a profit, put the amount in box 38. If you made a loss, put the amount in box 41.

Box 39 Loss brought forward used against this year's profits

Put any unused losses from earlier years in box 39 to use against your property profits. Use the figure in box 43 of your 'UK property' pages for the 2014 to 2015 tax year.

Box 42 Loss set off against 2015-16 total income

You can only set off a loss for **this tax year** against your total income if the loss:

- on your rental business is from agricultural expenses
- is from capital allowances

Any loss set off is limited to the lowest of:

- boxes 32 to 34 minus box 31
- the loss in box 41 (don't include amounts used against furnished holiday letting profits)
- your other income amounts

The amount of tax relief you can claim against your total income each year is also limited to the greater of £50,000 or 25% of your adjusted total income.

Put the total amount you want to set off, including any loss brought forward from last year that relates to agricultural expenses or capital allowances, in box 42.

i For more information on agricultural land, go to www.gov.uk and search for 'HS251' or ask your tax adviser for help.

For more information on the limit on income tax reliefs, go to www.gov.uk and search for 'HS204'.

Box 43 Loss to carry forward to following year, including unused losses brought forward

Put in box 43 any loss from box 41 that you haven't already used in box 42 or 14. Include any loss from box 43 of your 2014 to 2015 tax return that you haven't used in box 42 or 14.

Working Sheet for property income profit and loss (boxes 38 and 41)

Total rents and income box 20	A	£	<input type="text"/>
Premiums for the grant of a lease box 22	B	£	<input type="text"/>
Reverse premiums and inducements box 23	C	£	<input type="text"/>
Private use adjustment box 30	D	£	<input type="text"/>
Balancing charges box 31	E	£	<input type="text"/>

Total add boxes A to E F £

Minus

Property expenses boxes 24 to 29	G	£	<input type="text"/>
Capital allowances box 32 + box 34	H	£	<input type="text"/>
BPRA box 33	I	£	<input type="text"/>
10% wear and tear allowance box 36	J	£	<input type="text"/>
Rent a Room exempt amount box 37	K	£	<input type="text"/>

Total add boxes G to K L £

Adjusted profit or loss box F minus box L M £

If the amount is positive you have a profit. Copy to box 38.

If the amount is negative you have a loss. Copy to box 41.

If the amount in box M is a loss but you have furnished holiday lettings (FHL) profits

If you have UK FHL business profits copy any loss in box M (up to the amount in box 13) to box 14 and add it to any FHL losses brought forward. If you have any losses from earlier years (box 39), you can also set these against any unused FHL profits.

Loss deducted from UK FHL profits N £

Reduced loss for the 2015 to 2016 tax year box M minus box N O £

More help if you need it

If you're unable to go online:

- phone the Self Assessment Orderline on 0300 200 3610 for paper copies of the helpsheets and forms
- phone the Self Assessment Helpline on 0300 200 3310 for help with your tax return

We have a range of services for disabled people. These include guidance in Braille, audio and large print. Most of our forms are also available in large print. Please contact our helplines for more information.

These notes are for guidance only and reflect the position at the time of writing. They do not affect the right of appeal.