

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

You need to 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 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)

Accounts

If your accounting period for your property income does not end on 5 April 2015, you need to apportion the figures in your accounts to cover the tax year 6 April 2014 to 5 April 2015.

Tell us the name and address of the person who prepares your property accounts in 'Any other information' on page TR 7 of your tax return.

If you are in the Managing Serious Defaulters (MSD) programme, fill in all the relevant boxes. If you are 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** tell us about any figures where you do not have records from the time of the transactions
- or confirm that you have records for all the figures in your accounts

Your name and Unique Taxpayer Reference

If you printed a copy of the 'UK property' pages from the website, fill in your full name and Unique Taxpayer Reference (UTR) in the boxes at the top of the form.

Your name	Your Unique Taxpayer Reference (UTR)
Paul Smith	1 3 5 7 9 2 4 6 8 0

Example of completed name and UTR boxes

UK property details

Box 3 If you have any income from property let jointly

Only include an 'X' in the box if you own and let property jointly. If you do, **only 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, you should fill in form 17, 'Declaration of beneficial interests in joint property and income'.

If you receive your share of the income (or loss) after expenses, you only need to put the income in boxes 5 or 20, or the loss in boxes 9 or 29.

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

Only put an 'X' in box 4 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).

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

- pay tax on the excess – without taking off any expenses – if so, 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 – that is, the amount in box 20 minus any allowable expenses in boxes 24 to 29, leaving box 37 blank

 For more information, go to www.hmrc.gov.uk/helpsheet223

Furnished holiday lettings (FHL) in the UK or EEA

There are special rules for furnished holiday lettings. These allow you 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.

For a property to qualify as an FHL it must be in the UK or EEA **and** for 2014–15 be either:

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

 For more information, go to www.hmrc.gov.uk/helpsheet253

EEA businesses

If you have an FHL business in the EEA, you will need to fill in boxes 1 to 3 (ignore the heading 'UK property details'), boxes 5 to 19 and put an 'X' in box 18.

You will need separate 'UK property' pages for each UK and EEA FHL business that you have. You do not 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 are a non-resident landlord, show 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

You can claim certain FHL business costs by filling in boxes 6 to 12.

If your total property income (including FHL income) before expenses is below £81,000, 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, include any money received in box 5

You can claim capital allowances for your capital costs (see box 25), and the cost of renewing small items such as cutlery (you cannot 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.

Please take off any money received for your replaced items from the total of your replacement costs.

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
- any costs for appealing against a compulsory purchase order

You cannot 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 EEA FHL income – if you are a non-resident FHL landlord, put the tax taken off in box 21

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

Box 10 Private use adjustment

If you put any amounts in box 6 that were not solely for the business, put the private (non-business) proportion 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, you must 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 pay a balancing charge. Put this amount in box 11.

Box 12 Capital allowances

If you are 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 have a profit, put the amount in box 13. If you have 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 2013–14 or earlier years, put the amount in box 14. This must not be more than the amount in box 13.

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

Box 15 Taxable profit for the year

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

Box 17 Total loss to carry forward

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

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 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 one '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 2013–14 but did not qualify in 2014–15, you may want to make an election for a period of grace.

i For more information, go to www.hmrc.gov.uk/helpsheet253

Property income

Box 20 Total rents and other income from property

Put your total property rental income (**not** profits from furnished holiday lettings) in box 20. Include income from:

- a tenancy or land
- leasing or licensing agreements over your land or property
- furnished, unfurnished, commercial and domestic accommodation (including amounts you receive for the use of furniture)
- any 2014–15 rental income paid after 5 April 2015. **Do not include** rents paid in advance for the year to 5 April 2016

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
- local authority grants towards the cost of repairs

If you are 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 are a non-resident landlord.

Box 22 Premiums for the grant of a lease

If you have paid premiums for the grant of a lease and other lump sums to own 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 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 in box 23 any payment or benefit you received as an inducement to take an interest in a property (a 'reverse premium').

Property expenses

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

If your total property income before expenses is below £81,000, 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, include any money received in box 20

Box 25 Property repairs and maintenance

This includes any expenses that you had to pay 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 cannot 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. **Only** the interest part of a mortgage payment can be treated as an expense. Capital repayments made on a repayment mortgage are not 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
- the costs of appealing against a compulsory purchase order

You cannot 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 are subletting)
- any foreign tax taken off your EEA FHL income – if you are a non-resident FHL landlord, put the tax taken off in box 21

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 were not solely for the property business, put the private (non-business) proportion in box 30. For example, if you have 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 pay 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 amount. You cannot 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 (BPRA)

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

 For more information about BPRA, go to CA4500 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, the type of asset and other circumstances. For example, you can only claim capital allowances for furniture and fixtures for use in a dwelling house if it qualifies as a furnished holiday letting. Put your total capital allowances in box 34.

Here are some of the allowances you may be able to claim:


- 100% allowance for energy-saving equipment and cars with low CO₂ emissions (up to 95g/km) – there is a reduced CO₂ emission threshold for the 100% allowance for cars purchased on or after 1 April 2013
- 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) – the CO₂ emission threshold for WDA was reduced for cars purchased on or after 6 April 2013

Fixtures

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

From April 2012 if you purchase or sell a property which contains 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. Normally, you should fix your mutual agreement by means of a joint election (called a 'section 198' or 'section 199' election) which you must notify to HM Revenue & Customs within 2 years of the date of transfer.

From April 2014 if you buy or sell a property the new owner will not be able to claim allowances for fixtures if the past owner did not pool their qualifying expenditure on the fixtures. Pooling includes making a claim for First Year Allowance or Annual Investment Allowance in respect of the expenditure. It is not necessary for the last owner to claim writing down allowances. As a rule, the past owner is the last person who was entitled to claim capital allowances on fixtures.

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

Box 35 Landlord's Energy Saving Allowance

If you have let property, you can claim for installing:

- loft, floor, cavity wall or solid wall insulation
- draught proofing and insulation for hot water systems

The maximum amount you can claim is £1,500 for each let property. If you own a property with others, **only include your share** of the £1,500 in box 35.

Box 36 10% wear and tear allowance

You can only claim capital allowances for any machines, furniture or fixtures that are part of the building or furnished residential accommodation if it qualifies as a furnished holiday letting, otherwise, you can claim a 10% wear and tear allowance in box 36.

Box 37 Rent a Room exempt amount

If you have included any Rent a Room income in box 20, put the exempt amount you are 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 had a profit, put the amount in box 38. If you made a loss, put the amount in box 41.

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

Put the total of any unused losses from earlier years in box 39. Use the figure in box 43 of your 2013–14 'UK property' pages.

Box 42 Loss set off against 2014–15 total income

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

- on your rental business is from agricultural expenses
- is from certain claims to capital allowances

Any loss set off is limited to the lowest of:

- boxes 32 to 34 minus box 31
- the loss in box 41
- the amount of your other income

The amount of tax relief you claim against your income each year is 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, in box 42.

i For more information on agricultural land, go to www.hmrc.gov.uk/helpsheet251 or ask your tax adviser for help.

For more information on the limit on income tax reliefs, go to www.hmrc.gov.uk/helpsheet204

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

You can carry your loss forward to set against any future profits. If you had any losses from previous years that you have not already used up, include them in box 43.

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

Total rents and income box 20

A £

Premiums for the grant of a lease box 22

B £

Reverse premiums and inducements box 23

C £

Private use adjustment box 30

D £

Balancing charges box 31

E £

Total add boxes A to E

F £

Minus

Property expenses boxes 24 to 29

G £

Capital allowances box 32 + box 34

H £

BPRA box 33

I £

Landlord's Energy Saving Allowance box 35

J £

10% wear and tear allowance box 36

K £

Rent a Room exempt amount box 37

L £

Total add boxes G to L

M £

There is no box N in this Working Sheet.

Adjusted profit or loss box F minus box M

O £

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 O is a loss but you have furnished holiday lettings (FHL) profits

If you have UK FHL business profits copy any loss in box O (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

P £

Reduced loss for 2014-15 box O minus box P

Q £

More help if you need it

If you are 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.