

# Contents

About Arthur Weller .....	13
1. What Expenses Can I Offset Against Rental Income? .....	16
2. Switch Property With Your Spouse.....	16
3. Can I Offset Property Losses Against Other Income?.....	16
4. Can I Offset The Cost Of Buying A Vehicle? .....	17
5. Can We Merge Our Portfolio And Split The Income? .....	17
6. Can I Offset Money Paid To The Tenant?.....	17
7. Can We Merge Our Portfolio And Split The Income? .....	18
8. How Do I Handle General Portfolio Costs? .....	18
9. I Rent Storage. Can I Offset The Costs? .....	18
10. Look To Claim Costs As 'Revenue Costs'? .....	19
11. Can I Claim My Costs For Re-Mortgaging?.....	19
12. Are These Costs Of A 'Capital' Or 'Revenue' Nature?.....	20
13. Do I Need To Have Receipts? .....	20
14. Offsetting The Cost Of A £5,000 Property Seminar.....	20
15. Can Service Charges Be Deducted? .....	21
16. Can I Transfer The Property? .....	21
17. Non-Refundable Fees – How Will I Be Taxed? .....	22
18. Can I Pay A Family Member To Manage My Property? .....	22
19. Can We Offset Our Cost? .....	22
20. Capital Expenses From Profits? .....	23
21. Should I Buy In Sole Or Joint Name? .....	24
22. Can I Pay Myself For The Time Spent Managing Property Business? .....	24
23. Are These Legitimate Expenses?.....	25
24. Repairs To Commercial Property .....	25
25. As Joint Tenants Are We Forced To Split The Income For Tax Purposes?.....	25
26. Tax Implications Of Making Overpayments To My Mortgage?.....	26

27. Tax On Rental Income .....	26
28. Signing Over A Property To A Child .....	26
29. What Is The Tax Position On Fees For Re-Mortgages? .....	27
30. Can I Still Claim Tax Relief? .....	27
31. Is The Following Possible In Relation To Buy To Let? .....	27
32. Is There A Tax Liability? .....	27
33. Is This An Expense Or A Capital Charge? .....	28
34. Am I A Landlord Or Not?.....	28
35. Is This A Tax Deductible Expense? .....	29
36. How Far Back Will HMRC Go To Assess My Income Tax Liability? .....	29
37. Can Rental Losses be Carried Forward? .....	29
38. Property Held On Trust For A Company?.....	30
39. What Time Period Is Required To Avoid An HMRC Challenge?.....	30
40. Can We Split The Rental Profit This Way?.....	31
41. Are These Modernisations Capital Or Revenue Costs?.....	31
42. Would Our Tax Liability Be Affected? .....	31
43. What Constitutes Repairs To The Property Or An Improvement? .....	32
44. Can I Claim The Repairs On My Tax Return? .....	32
45. Joint Ownership Or Gifting Properties - What Is The Best Option?.....	32
46. Can I Receive Rents If I Don't Own The Property? .....	32
47. Property Owned By A Minor - Can This Be Done?.....	33
48. Do I Need To Include This In My Self-Assessment Form?.....	33
49. Tenants-In-Common And Property - What Will Be The Tax Position?.....	34
50. Rental Income Losses – Can I Offset? .....	34
51. Individual Or Collectively Taxed? .....	34
52. Is There A Requirement To Declare? .....	35
53. How Do We Formalise Future Profits Agreement?.....	35
54. What Can A Landlord Charge?.....	35
55. Do I Claim Running Expenses Monthly Or Yearly? .....	35

56. Can I Claim Back Pre-Letting Costs? .....	36
57. How Do We Express Our Tax Wishes? .....	36
58. Property Refinance Costs – What Is The Tax Position? .....	36
59. What Is The Best Tax Saving Remortgage In My Circumstances?.....	37
60. What Would Be The Tax Consequences?.....	37
61. Can I Claim These Expenses, And If So, When?.....	37
62. Is This Classed As Extra Income And Is It Taxable?.....	38
63. What's The Most Efficient Way To Manage This? .....	38
64. My First Tax Return .....	38
65. Is This Transaction Considered A Second Property Purchase? .....	39
66. Will There Be Tax On The Transfer Of A House? .....	39
67. Can I Use Form 17 To Split The Income 90:10? .....	40
68. Can We Claim Tax Relief On The Monthly Interest?.....	40
69. Does Stamp Duty Land Tax Apply?.....	40
70. Is The Cost Of Extending The Lease Tax Deductible? .....	40
71. Is The transaction Considered A Second Property Purchase? .....	41
72. Who Is Liable For The Tax On The Rental Income? .....	41
73. Covenant Query .....	41
74. Changing The Name Of My Trust - Any Tax Penalties? .....	42
75. Can I Claim Capital Allowances On Already Converted Property? .....	42
76. Is It Worth The Investment?.....	42
77. Are Married Couples Treated As One Unit? .....	42
78. Will I Have To Pay Stamp Duty Land Tax? .....	43
79. Will Tax Be Payable Once We Move Out? .....	43
80. What Is The Tax Position If My Daughter Lives In My Second Home Rent-Free? .....	43
81. Transfer Of House Pursuant To Consent Order.....	44
82. Can I Deduct Losses From Rental Income Already Received? .....	44
83. Can You Deduct Pre-Letting Repairs From Rental Income?.....	45
84. What Are The Tax Rules On Buying A Second Property? .....	45

85. What Tax If I Transfer My Primary Residence Into A Property Company? .....	45
86. What Do I Declare As My Rental Income? .....	46
87. Is A Capital Allowances Adjustment Necessary? .....	46
88. What Tax On The Sale Of The Newly-Built House?.....	46
89. Funding A Buy-To-Let Deposit.....	46
90. When Can A Remortgage Be Tax Deductible? .....	47
91. Buying And Transferring House To Son .....	47
92. Can I Claim Interest On The Additional Equity Property? .....	47
93. Nominating My New Purchase.....	48
94. Can A Company Gift Money From The Sale Of A Property? .....	48
95. Changing To Gas Central Heating: Revenue Or Capital?.....	49
96. Company Or Privately Owned? .....	49
97. Tax Relief For Replacing Like-For-Like Sheds?.....	49
98. Rent-A-Room Scheme - Do I Need An HMO Licence?.....	49
99. Transferring Properties To Company Tax-Free?.....	50
100. Can transferring a property maximise our personal allowances?.....	50
101. Are storage costs an allowable expense? .....	50
102. Can we change the rent income split and how do we do it? .....	51
103. Any Tax If I Sell My Home? .....	53
104. How Can We Transfer The Property? .....	53
105. Can I Select Any Property As My PPR? .....	53
106. Can I Offset Costs If I Have Lived In The Property? .....	54
107. Can I Sell My Property Below Market Value?.....	54
108. When Should We Gift Our Son a Property We Are Buying?.....	54
109. Tax Implications, If Any, Of Selling Part Of My Garden?.....	55
110. Do I Have To Live In It To Be Exempt From Tax?.....	55
111. Do I Have More Than One PPR? .....	55
112. How Long In A Property Before I Get PPR?.....	56
113. Can I Defer Capital Gains Tax?.....	56

114. What CGT Liability For Property That Is Partly PPR? .....	56
115. Can I Increase Borrowing To Minimise Or Avoid CGT? .....	57
116. Do I Pay CGT If I Build Apartments In My Residence? .....	57
117. Will I Be Able To Avoid CGT By Helping My Brother? .....	57
118. Is There CGT Due On A Property Purchased For My Mother? .....	58
119. Can I Buy Property For A Child Under The Age Of 18? .....	58
120. Can I Use Remainder Of My CGT Allowance?.....	59
121. Can I Claim Unused CGT For Previous Years? .....	59
122. Can I Transfer My CGT Allowance? .....	59
123. How Can My Partner Reduce CGT? .....	59
124. What Is The Tax Date For CGT Purposes?.....	60
125. How Do I Work Out Capital Gains Tax (CGT)? .....	60
126. If We Sell At A Loss, Will We Still Have To Pay CGT? .....	60
127. Is There A Capital Gains Risk And/Or An Offset? .....	61
128. Will This Avoid CGT?.....	61
129. Should I Move Into Previously Rented Out Property? .....	61
130. Can I Give A Family Member A Financial Gift? .....	62
131. How Do You 'Gift A Property In Stages'? .....	62
132. Avoiding Tax When Splitting A Property.....	62
133. Tax Treatment For New And Replacement Kitchens .....	63
134. What Tax If I Immediately Sell An Inherited Property? .....	63
135. How Is Property Ownership Determined? .....	64
136. Can My Brother Discount His Share Of Property? .....	64
137. What Tax Will I Pay On A Transferred Property?.....	64
138. What Is The Tax Position On Transfers?.....	65
139. Would I Have To Pay Capital Gains Tax? .....	65
140. Which Valuation Figure Would Be Used?.....	65
141. Will There Be A Capital Gains Tax Liability? .....	66
142. Sale Of Property: What Are Our Tax Positions?.....	66

143. Do I Pay Tax On What I Won't Receive?.....	66
144. Can I Minimise Capital Gains Tax? .....	67
145. Would We Be Liable For Capital Gains Tax? .....	67
146. Do I Need Receipts To Claim Against Capital Gains Tax? .....	67
147. Can I Contest The Valuation?.....	68
148. How Can We Manage The Separation/Divorce Split?.....	68
149. Gifting Property Over Seven Years .....	69
150. Would I Have To Pay Additional Tax? .....	69
151. Will Essential Repair Costs Reduce My Tax Liability? .....	69
152. If I Sell My Only Home Would I Be Liable To Tax?.....	70
153. How Can We Transfer The Property And Not Pay Tax? .....	70
154. We Want To Redevelop Our Club .....	70
155. Gift Of Property With Mortgage.....	71
156. Tax Position for a Donor and Donee? .....	71
157. Gift of House to My Sister .....	71
158. Passing Second Home Down the Generations .....	71
159. Can We Transfer Properties? .....	72
160. Gifting A Property To My Children .....	72
161. Tax Position On Selling Our Jointly Owned House .....	73
162. What If The Developer Pays More Than Market Value? .....	73
163. What Is My Tax Position On The Property Sale? .....	73
164. Will HMRC Think My Offer Is Illegal? .....	73
165. Tax Implications Of Gifting Property Or Cash.....	74
166. What Tax Implications If I Sign My House Over To My Daughter? .....	75
167. Splitting Title And Selling: What's The Best Thing To Do? .....	75
168. When Will Capital Gains Tax Be Calculated From? .....	75
169. What Is My Tax Position? .....	76
170. Tenant Wants To Purchase The Property .....	76
171. Selling My Home And Moving In With My Husband .....	76

172. Removing A Name From Property Title Deeds .....	77
173. Can Dad Sell A Mortgaged Flat To Me? .....	77
174. Putting My Current Properties Into A New Company? .....	77
175. Splitting Title And Selling: What's Should I Do? .....	78
176. When Will Capital Gains Tax Be Calculated From? .....	78
177. Can I Sell One Of My Properties At Less Than Cost? .....	78
178. Tax Position If He Gifts Me His Buy To Let Property? .....	79
179. Selling A Property We Haven't Occupied .....	79
180. Transferring Beneficial Ownership In A Flat .....	79
181. How Can I Minimise CGT On The Sale Of A Flat? .....	80
182. Is CGT Payable On A Deposit? .....	80
183. Would I Be Liable For Tax If I'm Taken Off The Mortgage? .....	81
184. How Much Principal Private Residence Relief Can I Claim? .....	81
185. What Is The Tax Position When Gifting Mortgaged Properties? .....	81
186. Changing Houses: What Taxes? .....	82
187. Splitting Our Home Into Flats: What Tax Liability Will Arise? .....	82
188. Overseas Owner Of UK Property: The Tax Position On Selling .....	83
189. Transferring The Family Home From Single To Joint Siblings .....	83
190. Do I Set Any Selling And Capital Work Costs Against Tax? .....	84
191. What Are Our Tax Positions On Gifting Money For A Property? .....	84
192. Is There A Capital Gains Tax Liability On This Property Sale? .....	84
193. Can We Estimate Costs In The Absence Of Receipts? .....	85
194. Sale Of Property To Tenant: How Do I Work Out The Capital Gains Tax? .....	85
195. When Should I Nominate My Main Residence? .....	85
196. How Can He Avoid Capital Gains Tax On The Gifts Of Leases? .....	86
197. What Is My Tax Liability On Inherited Property? .....	86
198. My Son Wants To Buy My House Tax Efficiently .....	86
199. When Does CGT Kick In: At Assignment Price Or Selling Price? .....	87
200. Sell Both Properties As A Job Lot Or Separately? .....	87

201. Paying Half Of My Parent's House Purchase .....	87
202. What Are The Pitfalls (If Any) Of Incorporation?.....	88
203. Can I Offset A Loss In My Self-Assessment?.....	88
204. Which Valuation Report Should Be Used? .....	88
205. Transfer Of Benefit From Properties To Partner.....	89
206. Can Product Fees Be Capitalised?.....	89
207. Transferring Property In Stages By Trust .....	89
208. Selling Residential Property And Buying Another.....	90
209. Sell Both Properties As A Job Lot Or Separately? .....	90
210. What Would Be The CGT Position If We Pooled Our Property Resources? .....	90
211. Moving Out And Removing My Name From The Mortgage .....	91
212. Are Any Taxes Due When We Sell Our Principal Home? .....	91
213. Do We Need To Report No Capital Gains Tax Due? .....	91
214. What If I move Into My Buy-To-Let Property And Then Sell?.....	92
215. CGT on disposal of gifted property: which price do I use? .....	92
216. When selling our flat, where is the 'factorial' deducted from? .....	92
217. Taxed on sale of the whole property or just a quarter share? .....	93
218. When will I be exempt from paying CGT on disposal of my property?.....	93
219. Tax implications of a parent transferring a property interest .....	94
220. Tax implications of gifting property to a son .....	94
221. Are costs of extending a lease an allowable expense?.....	94
222. What are the tax implications of transferring legal title to my property? .....	95
223. Purchase lease option and minimising tax liabilities.....	95
224. What would be the most tax-efficient way of disposing of half a property?.....	96
225. CGT relief on extending a lease? .....	96
226. Sale of second home: What is the CGT position? .....	96
227. Owner-occupied for part of ownership period.....	97
228. Will I have to pay capital gains tax?.....	97
229. Gift of property: What base cost should I use?.....	98



230. What are the tax implications if half of the property is transferred into my name? .....	98
231. Should the property be transferred to me? .....	98
232. What taxes will be payable on gifted property? .....	99
233. At What Rate Do My Inheritors Pay Inheritance Tax? .....	101
234. Inheritance Tax Planning - Which Is The Best Way? .....	101
235. Is There A Tax Efficient Way To Make Gifts? .....	101
236. How Do I Minimise My Children's IHT On A Property? .....	102
237. Can My Mother Live Rent-Free?.....	102
238. If I Die Will IHT Be Due Immediately? .....	102
239. How Can I Avoid Inheritance Tax? .....	103
240. What Is The Tax Position For A Settlor And Trustee?.....	103
241. Transferring Property From Sole To Joint Ownership - Any Pitfalls? .....	104
242. Mum Gave Me Gift Of House But Died Within Seven Years.....	104
243. Would Rented-Out Property Be Classed As PPR For IHT Purposes?.....	104
244. What Are The Tax Implications??.....	105
245. Have We Left Ourselves Exposed to IHT? .....	105
246. Can I Gift Sale Proceeds To My Wife? .....	105
247. Transfer Of Mother's Home: Any Inheritance Tax (IHT) Pitfalls? .....	106