







Capital Allowances Tax Relief

You may qualify for Capital Allowances Tax Relief on your holiday home if:

-  You are a UK tax payer (Individual or a company)
-  You let out your home on a commercial basis
-  It is furnished, so guests can be accommodated without the need for additional furnishings
-  The property is available to let for a minimum of 210 days a year
-  The property is let for a minimum of 105 days a year
-  Individual lets of no more than 31 days at a time to the same person

To find out if you could realise a tax benefit from your holiday home, please contact John Challen on 07876 555166, 0203 393 2286, or drop him an email at john.challen@catax.com

Helping you uncover your hidden tax relief.



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Furnished holiday letting – make sure you qualify

Holidays in the UK and the European Economic Area (EEA) ie EU plus Iceland, Lichtenstein and Norway, remain popular with many people. This is good news for UK and EEA property investors with Furnished Holiday Lets (FHL).

Although properties within the UK and the EEA are now included, they are treated as separate businesses. This means that there is a restriction on the use of losses, such that they can only be set-off against future profits from the same UK or EEA FHL business.

Benefits of Furnished Holiday Lettings

The benefits of a FHL, over a conventional rental property, are:

1. Capital Gains Tax (CGT) Reliefs are available on the sale of a FHL
2. Capital Allowances: can be claimed on fixtures and integral features i.e. fridges, sofas etc. You can claim the 100% Annual Investment Allowance on the first £200,000 of qualifying expenditure (£500,000 up to 31 December 2015). This allowance is restricted for private use.
3. FHL profits: are relevant earnings for the purposes of calculating the maximum pension contributions qualifying for tax relief.
5. Business Property Relief: FHLs may, in certain circumstances, qualify for Business Property Relief (BPR).
6. Loan Interest: There will be no restriction to the basic rate tax relief for interest costs.



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