

The effect the new Landlord Tax rules will have on a Large Landlord

Fill in or change the white boxes to match your situation or just to experiment with the new tax
 Note; The double blow of as the bank rate goes up so does the percentage of your income you will have to pay in tax.

Your Current Tax and Income Situation

Do you have additional gross income from a salary or business?	£0
What is Your Annual Rent Roll ?	£780,000
What is Your Annual Interest Payment ?	£280,000
What is the total of mortgages on your rental property?	£7,000,000
The average interest on your mortgages is	4.00 %

Experiment with an interest rate rising by! 0.00 %

Repairs. Taken at 10% of rent. You can change this figure	£78,000
Miscellaneous Expenses. Taken at 10% of rent. You can change this figure	£78,000
Managing agents fee. Taken as 5%. You can change this figure	£39,000
TOTAL EXPENSES	£475,000
GROSS INCOME	£305,000
Tax paid on the first £10,600	£0
Tax paid at 20% on income between £10,600 and £31,785	£6,357
Tax paid at 40% on income between £31,786 and £150,000	£47,286
Tax paid at 45% on income above £150,001	£69,750

Total Tax to pay **£123,393**

NET INCOME **£181,607**

Total cumulative rate of tax. 40.46 %

How your tax Liability will be increased.

Additional Income	£0	
Rent Collected	£780,000	
Annual Interest Payment	£280,000	
Loans	£7,000,000	%
The average interest rate is	4.00	%
If interest rates rise by	0.00	%

Repairs	£78,000	
Miscellaneous expenses	£78,000	
Managing agents fee.	£39,000	
TOTAL EXPENSES	£195,000	
GROSS INCOME	£585,000	
Tax paid on the first £10,600	£0	£574,400
Tax paid at 20%	£6,357	£542,615
Tax paid at 40%	£47,286	£435,000
Tax paid at 45%	£195,750	
Less tax relief at 20% on Interest payment	£56,000	£280,000

Total Tax to pay **£193,393** £69,750

EXTRA TAX TO PAY **£70,000**

NET INCOME **£111,607**

Total cumulative rate of tax. 63.41 % of income %