

The effect the new Landlord Tax rules will have on a Small size 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 ?	£50,000
What is Your Annual Interest Payment ?	£20,000
What is the total of mortgages on your rental property?	£500,000
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	£5,000
Miscellaneous Expenses. Taken at 10% of rent. You can change this figure	£5,000
Managing agents fee. Taken as 5%. You can change this figure	£2,500
TOTAL EXPENSES	£32,500
GROSS INCOME	£17,500
Tax paid on the first £10,600	£0
Tax paid at 20% on income between £10,600 and £31,785	£1,380
Tax paid at 40% on income between £31,786 and £150,000	£0
Tax paid at 45% on income above £150,001	£0

Total Tax to pay £1,380

NET INCOME £16,120

Total cumulative rate of tax. 7.89 %

How your tax Liability will be increased.

Additional Income	£0	
Rent Collected	£50,000	
Annual Interest Payment	£20,000	
Loans	£500,000	%
The average interest rate is	4.00	%
If interest rates rise by	0.00	%

Repairs	£5,000	
Miscellaneous expenses	£5,000	
Managing agents fee.	£2,500	
TOTAL EXPENSES	£12,500	
GROSS INCOME	£37,500	
Tax paid on the first £10,600	£0	£26,900
Tax paid at 20%	£5,380	£0
Tax paid at 40%	£0	£0
Tax paid at 45%	£0	
Less tax relief at 20% on Interest payment	£4,000	£20,000

Total Tax to pay £1,380 £0

EXTRA TAX TO PAY £0

NET INCOME £16,120

Total cumulative rate of tax. 7.89 % of income %