

# Calculated

The Property Tax Specialists

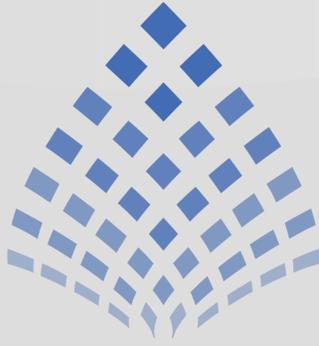
## Newsletter

May 2022

### Out with the old and In with the new!

The new tax year brings a reminder to our Individual Clients to gather your personal financial information in readiness for us to start work your personal tax returns for 21/22. and tax efficiencies for 22/23. We will begin to send out reminders in July but to help you start, here is a quick summary of information we will need:

- **Tax, Employment and Benefits**  
Employed, sole trader or partnership? We will ask for copies of your P60/P45/P11D/EIS/SEIS certificates. We will also ask for details of any state benefits you receive including Child Benefit. Details of government grants received will be required.
- **Pension and Loan Payments**  
Including personal pension contributions and student loan repayments.
- **Current and Planned Properties**  
How many and if they are owned individually, or jointly.
- **Partnership and Investment Income**  
Bank interest, dividends from quoted companies or your own limited company, pensions, etc. (non-ISA investments only)
- **Gross rental income**  
Including any interest paid. We will also ask for certificates for mortgage interest
- **Capital Gains**  
Do you receive income from the sale of non-property assets (sale of shares, valuable items, chattels, etc). Did you dispose of any shares in the year?
- **Expenses**  
Including: Insurance  
Repairs & Maintenance  
Cost of replacing domestic items (eg White goods or furniture)  
Mortgage Interest Paid  
Management Fees  
Legal and Professional Fees  
Mileage and Travel expenses



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If you will need your SA Tax Return completing sooner, please get in touch.

Just a reminder that Limited Company is a separate legal entity to an Individual.

If we also look after the accounts for your Limited Company we will request information shortly after the company year end. We have also provided a handy reminder of the information we will request for Limited Companies below.

- **Bank Account**

If the company has a bank account, we will require a copy of the year end bank statement reflecting the balance. We will also need transaction information, through Xero if you have already set up your bank feed, or csv/excel spreadsheet download.

- **New Properties**

We will ask for details of all new properties that the company has exchanged on during the year including legal invoices reflecting amounts paid on exchange. For all purchases that have completed during the year, we will need copies of the completion statements.

- **New mortgages**

If you have re-mortgaged a property or raised a mortgage on a new purchase, we will require the Mortgage offer document and the Mortgage statement reflecting balance at year end and interest paid during the year.

- **Disposals of Properties**

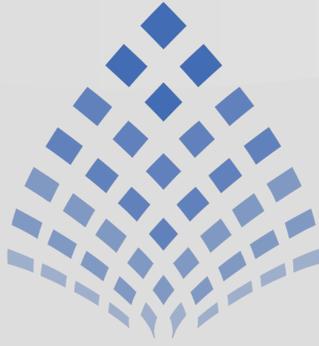
If the company has sold any properties we will require copies of the final completion statements and the final mortgage statement

- **Valuation of Properties**

If any properties have increased materially in value, please provide us with a fair market value for that property and the basis for the valuation ie: recent sales in the area or estate agent valuation.

- **Other Information we will require includes:**

- Mileage
- Expenses and Repairs
- Subscription and Telephone Costs
- Home Office Costs
- Loans / Government Grants



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## Other News

### **1. Making Tax Digital for Income Tax Self Assessment businesses and landlords**

As many of you know MTD for ITSA has been postponed by HMRC until April 2024 meaning that your SA Tax Submissions (4 submissions + End of year Tax Return) for the FY 24/25 must be MTD for ITSA compliant.

For many people who complete their own SA Tax Return, the name MTD for ITSA may register but they have not yet started to think about what it means for them. Indeed, some accountants have yet to consider the impact MTD for ITSA may have for their clients and their practices.

At Calculated we are ahead of the curve just a little though there will be some work to do both in practice and with yourselves, our clients, over the course of the next year to ensure that we and you are MTD for ITSA ready.

The starting point for this is to ensure that our clients, most of whom are landlords are keeping good records and using the latest technology which will be key to MTD for ITSA compliance.

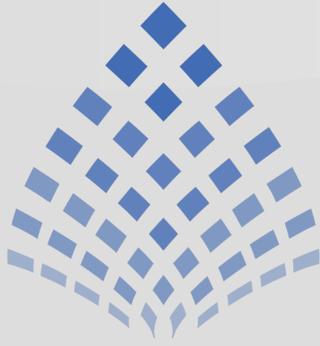
#### **Keep good records**

New business owners are often overwhelmed and tend to neglect bookkeeping. However, it's essential that you keep the books up to date and record all your earnings and expenses. Without this data, you won't have a clear picture of how you're faring financially, which can lead to a myriad of nasty problems.

#### **Use the technology**

You're a 21st century Property Investment business and your accounting practices should reflect that. Online accounting and bookkeeping software is faster, easier and dramatically more efficient than ledgers and Excel spreadsheets and will be a cornerstone of MTD for ITSA compliance.

Online accounting software such as Xero is easy to learn and significantly reduces the margin of human error by automating processes and calculations for you. This means that you're much less likely to make mistakes on your tax return. It also allows your accountant easy access to your financial information, cutting down the number of reminder emails, requests for csv files or excel spreadsheets and copies of invoices. Software such as Dext allows you to upload your receipts directly into Xero from your mobile phone.



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With this type of software, you won't have to spend hours updating and organising your financial information. Another benefit is that it allows you to locate and cross-reference information quickly and easily, without having to spend hours searching for the right files. It may be more expensive than the DIY approach initially but using this software will not just be useful but also mandatory with MTD for ITSA.