



Calculated

The Property Tax Specialists

Newsletter

September 2021

*** New Consultations Launched ***

[Inheritance Tax Consultation](#)

[Non-Resident Tax Consultation](#)

This week saw the launch of 2 new services at Calculated.

IHT Consultation

With Property values at an all-time high, it is an important time to consider Inheritance Tax Planning for the future to ensure you more of your assets pass onto your family rather than the tax man!!!!

We are now offering our clients an Inheritance Tax Consultation which will give you an understanding of your current IHT position, help you to avoid the common pitfalls that can unnecessarily create IHT liabilities and even mitigate some of the potential liabilities your estate may face.

Non-Resident Property Tax Consultation

Similar in format to our Property Tax Consultation but tailored specifically towards Non-UK Residents. and UK Ex Pats. We will walk you through the tax implications of non-residents investing in the UK, including how the property income is taxed depending upon personal or corporate investment, SDLT and how to extract profits in the most efficient manner, as well as some practical tips for non-residents investing in the UK.

How to Book

Visit our website at www.calculateduk.com. If a suitable slot isn't available, drop us an email or call us.

- **Tax Tips**

COMPANY MOBILE PHONE

Your company can provide one mobile telephone to each employee/director of the company without incurring any benefit in kind to the employee. This means that the full cost of the phone contract can be included as an expense in the company accounts. This will receive tax relief (currently at 19%) without incurring further tax to the employee or any reporting requirements. The contract must be in the company name and paid for by the company. If the company pays for a phone in the employee's name on their behalf this will have further reporting and personal tax requirements.



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IHT

If you are discussing the family home, it may also be worth including something about the residence nil rate band. The residence nil rate band provides you with a further exemption of £175k from IHT for estates under £2m provided that the individual has lived in the home and they are passing it to a direct descendent (child, step child, adopted child etc). The main residence nil rate band can be passed on to the surviving spouse, just like the traditional nil rate band. Therefore, on 2nd death, the total IHT exemption could be £1m. For estates over £2m, the main residence nil rate band is reduced by £1 for every £2 over £2m.

- **Should I purchase through a Limited Company?**

Since the introduction of restrictions to Mortgage Interest Relief for BTL mortgages (Section 24), there has been a huge leap towards investing through a limited company for BTL landlords, but is this always the best choice for Investors?

Some things to consider:

Pros

- Mortgage Interest relief is fully allowable
- Profit is taxed at 19% (at current corporation tax rates), regardless of what your personal income tax rate is.
- There may be Inheritance Tax benefits as you can add family members / children as shareholders

Cons

- Mortgage costs tend to be higher with higher interest rates and arrangement fees as there are a limited number of mortgage products available.
- Professional fees (legal and ongoing accountancy fees) are higher when purchasing via a Limited company compared to individually
- If you wish to draw profits, there will be additional tax charges if taken as a dividend above the annual allowance of £2000 (32.5% for higher rate taxpayers and 38.1% for additional rate taxpayers).
- On re-mortgage and release of equity, Income Tax **may** be due on monies extracted personally.

Finally for now.....We're on LinkedIn

Follow us for the latest news, tips and updates from the Tax Team here at Calculated.

