



Barlow Andrews

Chartered Accountants - Create | Retain | Realise

Six Tax Savings for Property!

Claim Tax Relief Twice

It should be possible to include some of the costs that qualify for tax relief as capital allowances to be included again in the base cost of the property thereby also reducing your capital gains tax bill on sale of the property.

Business Premises Renovation Allowance

100% tax relief is available for expenditure on converting unused business premises back into business use. This relief is available to individuals and companies on buildings (including their own) in a qualifying area. This relief is available from 11 April 2007 (and is more generous than the 40%, 25%, 4% and 0% rates that could have applied previously).

Landlords Energy Saving Allowance

Under certain conditions from 6 April 2004 it has been possible to get up to £1,500 of direct tax relief for capital spending on insulation. Budget 2007 increased this relief to include companies and is now available per property rather than per building. The relief covers expenditure on insulation (cavity wall, loft, solid wall and hot water system), draught proofing and from April 2007 on floor insulation.

Enhanced Capital Allowances

Expenditure by businesses on qualifying energy saving assets will enable them to obtain a 100% tax deduction. The assets include lighting, pipework, toilets, heaters, radiators and flow controllers.

Flat Conversion Allowance

The capital costs incurred by a company or individual in converting a qualifying unused flat back into residential use can qualify for 100% tax relief. The costs that qualify include inserting or removing walls, installing new kitchens and bathrooms, creating several properties from one unit. The flat must also be above a business premises such as retail shops, dental practices, licensed or catering premises.

Land Remediation Relief

A tax deduction of £1.50 for every £1 spent on cleaning up a contaminated landsite before development can be claimed by a company. If the company is loss making, a claim of up to 24% of the cost can be paid back as cash by HM Revenue & Customs. This relief has been in force since May 2001 and the costs that qualify include cleaning asbestos, hazardous waste and can also include flood prevention.

If you would like to know more about how you can claim these tax relief's, please contact Mark Sheen at mrcs@barlow-andrews.co.uk or Tim Lwin at tl@barlow-andrews.co.uk.

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