

THE LANDLORD'S

Tax Return

What Every Landlord Must Know

by Harish Verma, with Mohan

ABEL ACCOUNTANTS



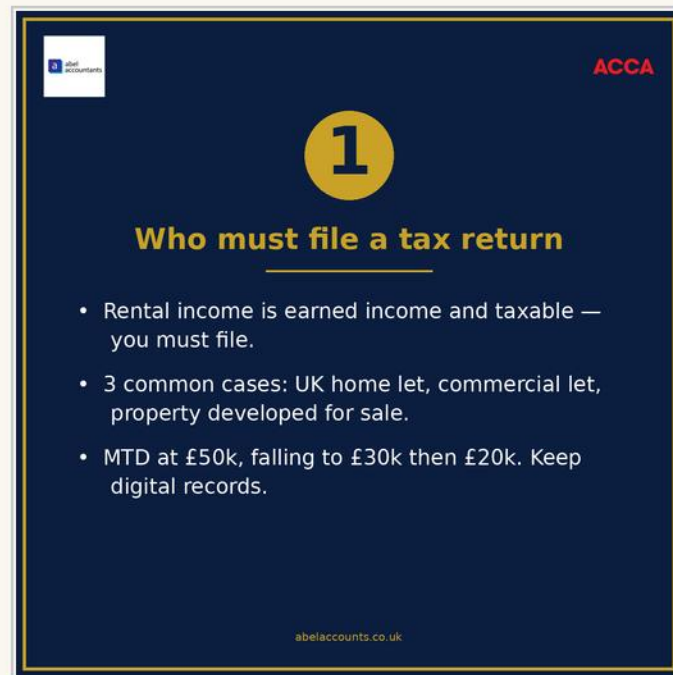
THE LANDLORD'S TAX RETURN

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ABEL ACCOUNTANTS · ASHFORD, SURREY

Who must file a tax return



THE RULE, IN ONE LINE

If you are a landlord and earn rental income, this is earned income and taxable — you must file.

THE THREE MOST COMMON LANDLORDS WHO MUST FILE

1. Home rented in the UK as an individual · 2. Commercial property rented as an individual · 3. Property developed for sale

THE MISTAKE PEOPLE MAKE

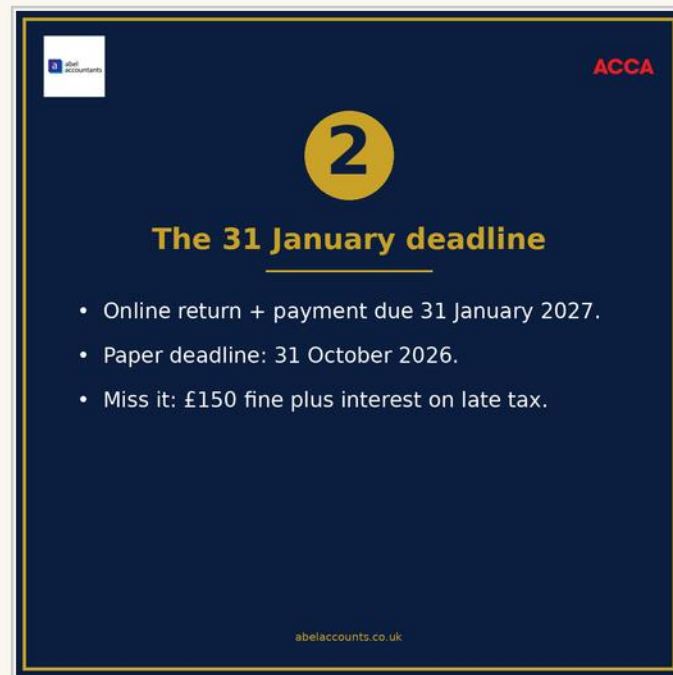
Most landlords think it is the profits, but the truth is rental income is the test for MTD.

Who must file a tax return

HARISH'S ADVICE

In the 25/26 tax year we started MTD for the self-employed for income tax at £50,000 income, and if you fall in this you need to keep digital records and file an MTD return each quarter as well as a self-assessment return. The limit will fall to £30,000 income for tax year 26/27 and finally £20,000 by tax year 27/28. So you as a landlord need to start keeping digital records. Equally, Abel Accountants will do this for you at just £1.61 a day.

The 31 January deadline



THE DEADLINE, IN ONE LINE

Your online tax return and payment are due on 31 January 2027, or pay a £150 fine for late filing.

PAPER VS ONLINE

Paper deadline: 31 October 2026. Online deadline: 31 January 2027.

WHAT HAPPENS IF YOU MISS IT

The fine of £150 plus interest payable on late payment of tax.

The 31 January deadline

HARISH'S ADVICE

For any reason, if you have any difficulty, help is available within 7 days — your tax return will be completed, and after your approval we will file the tax return for you. The best thing is it does not cost you more than a cup of tea a day.

Register before 5 October



THE TRAP, IN ONE LINE

If you do not inform HMRC before 5 October after the tax year, you will incur a £100 fine for not declaring the taxable rental income.

WHO MUST REGISTER

The taxpayer who owns the property earning rental income.

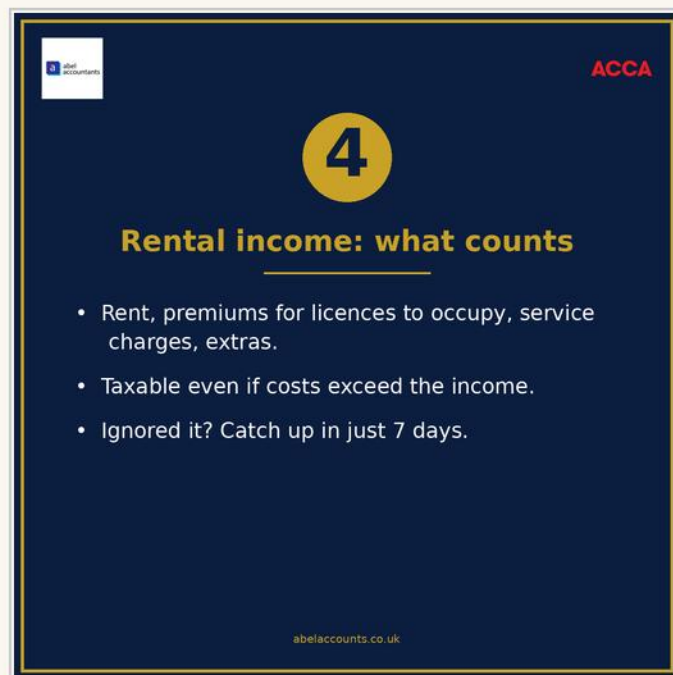
WHAT HAPPENS IF YOU DON'T

Worry, and a fine plus interest on late payment of tax.

HARISH'S ADVICE

Do not avoid the declaration of untaxed income — get it done if you want.

Rental income: what counts



RENT COUNTS, BUT SO DOES THIS

1. Premium received for the grant of a licence to occupy a property · 2. Service charges received · 3. Any other income, including council tax

WHAT PEOPLE FORGET

Rental income is taxable, even if interest costs and any allowable costs exceed the income.

HARISH'S ADVICE

Even if you ignored the taxable rental income, catch up in just 7 days at a low cost.

Expenses you CAN claim



THE HONEST LIST

1. Ongoing repairs · 2. Cleaning costs · 3. Council tax on rented property · 4. Travel costs · 5. Legal costs

THE ONE PEOPLE ALWAYS MISS

Use of home as office.

HARISH'S ADVICE

Digitise, so you do not miss any cost claims.

Expenses landlords get wrong



THE THREE MISTAKES YOU SEE EVERY YEAR

1. Improvement of property is not repairs · 2. Add these improvement costs to the cost of purchase and claim against sale proceeds to pay less CGT · 3. Commission paid to agents is claimable

PRIVATE COSTS DRESSED AS BUSINESS — AN EXAMPLE

Entertainment is not allowable.

HARISH'S ADVICE

Collect the expenses as you incur them and claim them in the right period to reduce your tax.

The reliefs landlords miss



RELIEF 1

Stamp duty — what it saves: CGT

RELIEF 2

Legal costs on sale or purchase of property — what it saves: CGT

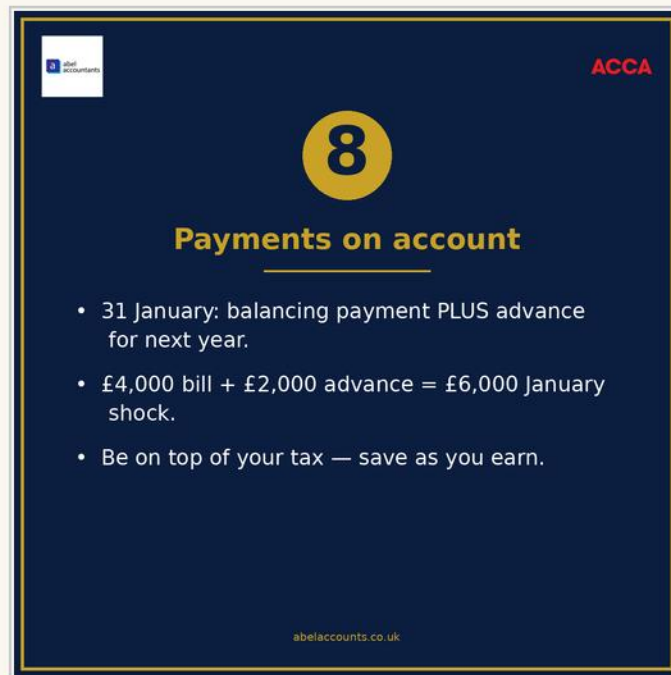
RELIEF 3

Use of home as office — what it saves: income tax

HARISH'S ADVICE

Keep it simple — record the expense costs and documents like completion statements.

Payments on account: the January surprise



The slide is dark blue with a yellow border. It features the 'abel accounts' logo in the top left and the 'ACCA' logo in the top right. A large yellow circle with the number '8' is centered at the top. Below it, the title 'Payments on account' is written in yellow. Three bullet points are listed in white text, and the website 'abelaccounts.co.uk' is at the bottom.

- 31 January: balancing payment PLUS advance for next year.
- £4,000 bill + £2,000 advance = £6,000 January shock.
- Be on top of your tax — save as you earn.

abelaccounts.co.uk

WHAT IT IS, IN ONE LINE

Each tax year on 31 January you have to not only make the balancing payment but a payment on account for the following tax year.

WHY IT SHOCKS PEOPLE

It happens after you spent it during the year. So be on top of your tax and save tax as you earn.

AN EXAMPLE WITH NUMBERS

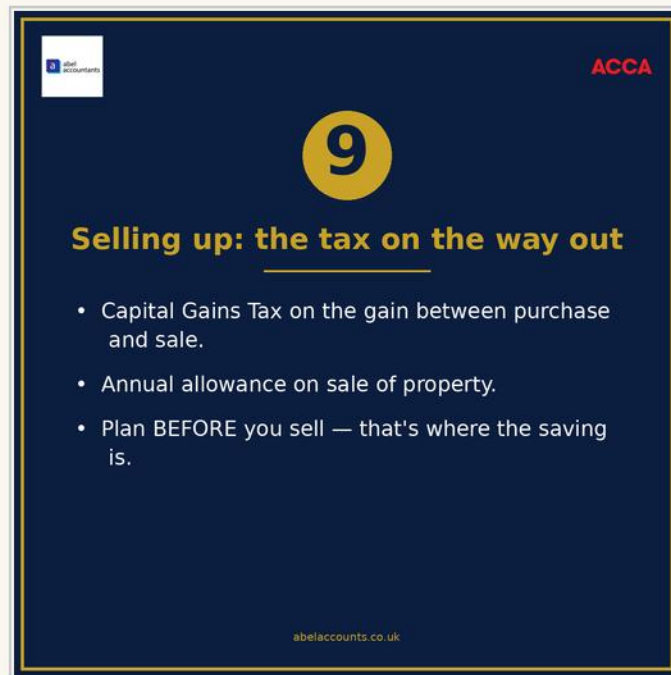
Tax bill: £4,000. Payment on account: £2,000. Total due in January: £6,000.

Payments on account: the January surprise

HARISH'S ADVICE

Be on top of your tax.

Selling up: the tax on the way out



THE TAX, IN ONE LINE

Capital Gains Tax — being the gain between purchase costs and selling proceeds.

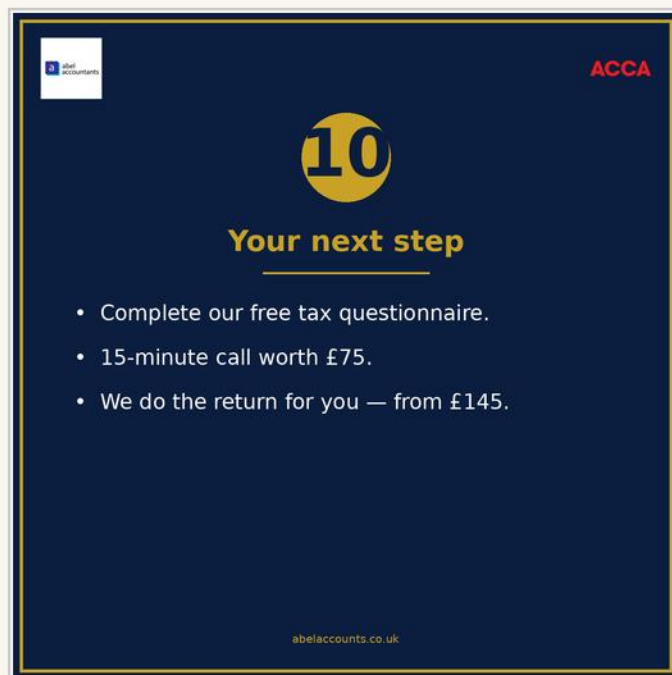
WHAT MOST LANDLORDS DON'T KNOW

Annual allowance on sale of property.

HARISH'S ADVICE

You can save CGT, but you need to plan before your sale of property.

Your next step



THE FREE QUESTIONNAIRE

Complete our tax questionnaire, so you can collect the data.

HOW WE HELP

1. 15 minute call worth £75 · 2. We do the return for you — from £145

HARISH'S ADVICE

Book a call: <https://calendly.com/harish-abelaccounts/30min>

Your next step

Book a free 15-minute call.

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A small local firm in Ashford, Surrey.

We only take on work we can do properly.

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