

Dear

Tax relief on property repairs

Please check the property pages of your Self Assessment (SA) tax return for the year ended 5 April 2022. This is because you may have claimed too much tax relief for your property repair costs. Our data suggest that your expenditure is higher than others with a similar income.

Getting expenditure claims right

As a landlord you may carry out repairs on your rental properties. Although some repairs or improvements may be like for like replacements or small repairs and maintenance, other improvements may be enhancements to the property.

You're unable to claim these costs as repair expenditure in your accounts.

Some examples of repairs that can be claimed as expenditure in your SA return are:

- exterior and interior painting and decorating
- stone cleaning
- damp and rot treatment
- mending broken windows, doors, furniture and machines such as cookers or lifts
- repointing
- replacing roof slates, flashing and gutters.

Some examples of what can't be claimed as expenditure in your SA return are:

- adding insulation where there was none before
- upgrading a central heating boiler from an older, less efficient model
- adding to the property, like an extension, loft conversion or conservatory.

What you need to do now

Please check that the property pages of your SA tax return for the year ended 5 April 2022 are correct and make an amendment to your return if necessary. Any amendments must be made by 31 January 2024.

When working out your taxable profits for that year, you may have claimed too much tax relief for your property finance costs. If this is the case the appropriate payment of tax should be made immediately. Information on how to pay can be found on GOV.UK by searching "Pay your Self Assessment tax bill".

More information

To find out more about:

- expenses that you can and can't claim when letting your property, go to GOV.UK and search 'Income Tax when you let property: work out your rental income'
- interest on property loans and other financial costs, go to GOV.UK and search 'Tax relief for residential landlords: how it's worked out' - these should be included in box 44 of the property pages of your SA return

If you're satisfied that all the information on your SA tax return is correct, you don't need to do anything.

Please remember to consider the above when submitting future returns.

What happens next?

Changes to your tax return may mean that you need to pay more tax, or you could be owed tax.

If you haven't paid enough tax, we may charge you a penalty. Go to GOV.UK and search 'Self Assessment tax return corrections' for more information.

How to contact us

If you have any queries about this letter, please email us at responseteam5@hmrc.gov.uk.

Before you email us please read the attached email protocol disclaimer. When you contact us please state 'I accept the risks associated with using email and I am happy to proceed.' If we don't receive this confirmation, we're unable to continue correspondence until you confirm your acceptance, and this may result in delays in responses.

You can also call us on 03000 516640 during the hours noted above.

Help and support

If you need help with this letter because of a disability, mental health condition, or you don't speak English or Welsh, we can offer you extra support. Go to GOV.UK and search 'Additional support needs'.

If you have an agent, a copy of this letter has been sent to them.

Yours sincerely

Wealthy Midsized Business Compliance Officer

DCS1 will be enclosed.