

# CURRENT UK RESIDENTIAL PROPERTY TAX RULES

Type of tax-payer	Income Tax	Capital Gains Tax	Inheritance Tax
Individual	<ul style="list-style-type: none"> <li>UK tax resident individuals will pay IT on the rental income up to 45%</li> <li>Non-UK tax resident individuals will pay IT at 20% under the Non Tax Resident Landlord Scheme</li> <li>Will not be able to deduct mortgage interest payments since April 2020 but will benefit from the 20% tax credit for those mortgage payments</li> </ul>	<ul style="list-style-type: none"> <li>UK tax resident individuals will pay CGT on the gains at 18% or 28% based on their income level. They might also claim Principal Private Residence Relief on their main residence</li> <li>Non-UK Tax resident individual will be subject to Non-Tax Resident CGT at 18% or 28% on gains since 6 April 2015 (rebasing date)</li> </ul>	<ul style="list-style-type: none"> <li>UK domiciled individual - usual UK IHT rules will apply</li> <li>Non-UK domiciled individual – within UK IHT net since April 2017</li> </ul>
Company	<ul style="list-style-type: none"> <li>Will pay CT at 19% on the rental income</li> <li>Will be able to deduct the full mortgage interest payments</li> </ul>	<ul style="list-style-type: none"> <li>Onshore companies will pay CT at 19 percent</li> <li>Offshore companies will pay CT on gains since 6 April 2015 (rebasing date) - direct disposals</li> <li>Offshore companies - indirect disposal (of shares in property rich companies) will pay CT on gains since 6 April 2019 (rebasing date)</li> </ul>	<ul style="list-style-type: none"> <li>Value of the shares which derives from the UK residential property will be subject to UK IHT</li> </ul>

FOR MORE INFORMATION PLEASE CONTACT US:



**TULIN HAMIT**

Partner, Tax & Estate Planning

+44 7507 348017

tulin.hamit@collyerbristow.com



**PETER DANIEL**

Head of Private Wealth

+44 7879 842645

peter.daniel@collyerbristow.com

**collyerbristow.com**

**Disclaimer:** The information and opinions contained in this document are for general interest and information purposes only and are not intended to constitute specific legal, commercial or other professional advice. It should not be relied on or treated as a substitute for specific advice relevant to particular circumstances. While we seek to ensure that the contents are not misleading or outdated, you should obtain specific legal advice before making or refraining from making any business or personal decisions. Collyer Bristow LLP is a limited liability partnership registered in England under number OC318532, registered office 140 Brompton Road, Knightsbridge, London, SW3 1HY and is authorised and regulated by the Solicitors Regulation Authority. Any reference to a partner means a member of the LLP or an employee with equivalent standing and qualifications. A list of the members is available for inspection at the above address. This firm maintains professional indemnity insurance in accordance with the rules of the Solicitors Regulation Authority. © 2020 Collyer Bristow LLP.