

Buy To Let

All details are input in Light Blue boxes

1. Input client's name, and income (excluding rental income)

2. Input property income & expenses i.e;
• Gross rent
• Maintenance cost
• Mortgage interest payments
Will calculate net rent after deducting expenses

Will calculate taxable rent.
From 2020/21, 0% of mortgage interest payments are deductible

Will calculate tax on rental income, and amount of (basic rate) relief on interest
To establish net tax liability.
Also calculates the effective rate of tax .

This shows the net income profit from the property

Name	Mr X	X
Income		50,000
<u>Now</u>		
Gross rent		20,000
Maintenance costs		0
Interest payable (1)		13,000
Net Rent		£7,000
<u>2020/21</u>		
Gross Rent		£20,000
Maintenance costs		£0
Deductible interest		£0
Taxable rent		£20,000
Tax on Rental Income		£8,000
Less interest relief		£2,600
Net tax liability (2)		£5,400
Effective rate of tax (3)		77.1%
Net Profit after tax		£1,600