

Tax Refunds on Properties in Europe

Do you own property in Europe? Has it made a loss in any tax year since 2006/07?

Did you know that under new HMRC guidelines you may be able to claim these losses against other income often leading to substantial tax refunds?

The conditions are:

- The property must be situated in the European Economic Area
- It must be let furnished not empty
- Available for letting at least for 140 days a year
- Must be actually let for at least 60 days in the year
- Not normally occupied by any one tenant for more than 31 days at a time.

Further benefits of the relief are as follows:-

- Losses can offset against general income e.g. salary, self employed profits
- Entrepreneur's Relief is usually available on the sale of such properties meaning an effective rate of capital gains tax of 10% not 18%
- Roll-over or Hold Over available to defer gain on sale
- Capital Allowances available on equipment used in the property
- Pension contributions can be paid if the property is profit making
- Possibly qualify for Business Property Relief thus exempting the property from IHT on death or gift to others

Deadline

HMRC have said that the cut off date to claim back these losses for 2006/07 is 31 July 2009.

Would like to claim back a refund from HMRC? If so, get in contact today.