

Property Tax

Replacement of Domestic Items Relief

From 6 April 2016, the 10% wear and tear allowance was abolished and replaced with a new 'replacement of domestic items relief' available to all landlords of residential property, whether furnished or unfurnished.

Landlords can now claim the actual costs of replacing domestic items. It should be noted that only the costs of replacement items are allowed; the initial costs of such items are not allowable.

What qualifies as a domestic item?

Examples of items which can be claimed under the new relief include the following:

- Beds
- Sofas
- Televisions
- Fridges and freezers
- Carpets and floor-coverings
- Curtains
- Cutlery and crockery

This is good news for landlords of partly furnished or unfurnished properties where no relief was previously available for these costs.

Replacements must be on a like for like basis. Any element of improvement will not be allowable under the new rules, and only the cost of the 'like for like' element will be an allowable deduction.

Capital allowances will continue to apply to furnished holiday lets.

Replacement costs of fixtures which are an integral part of the property such as boilers, baths and fitted kitchens will still be treated as an allowable repair.

If you have any queries or require any advice please contact our Residential Property Taxperts on 01382 312100 for specific advice on how this could affect you.



Want more information? Talk to the **EQ Taxperts** today.