



A Tip for buy-to-let landlords

Paul Merrell

Residential landlords who have not declared rents received to HMRC need to act quickly and notify this income stream to the HMRC. Fail to do so and you may find that details have already been advised to HMRC under the Tenancy Deposit Protection regime, which took effect from 6th April. For HMRC this is another method for finding those who fail to declare their UK rental income.

From 6 April, deposits received by landlords must be registered with one of the approved agencies who run the scheme.

In the "Terms and Conditions" of two schemes, it states that information received by them can be passed on to other bodies including HMRC leaving them with information which will allow them to see who is receiving rents in the UK. No doubt, where evasion is suspected, HMRC will call on this data to identify discrepancies but may use it to wider effect. One scheme provider has already confirmed that they have provided information to the HMRC. Also, HMRC have powers to order Tenancy Deposit scheme providers to hand over information about clients under legislation.

Landlords failing to register deposits may be fined up to three times any deposit amount received but in this instance, the fine is paid to the tenant. Is it in the tenant's interest to make sure you are now registered?

Given the property boom and the desire of many to own and let property, it is little wonder that HMRC are finally looking at this as a sector to collect more taxes. Coupled with their recent additions on buy to let on their website, one has to ask the question – is this the next area to be targeted!

These notes are for general guidance only. No liability is accepted by Streets for actions taken in reliance upon these notes and it is essential that detailed advice relating to the particular circumstances of the case in question should always be obtained before action is taken.

Streets is a trading style of Streets LLP, Streets Northern LLP, Streets Southern LLP, Streets Tax LLP, Streets Audit LLP and Streets Financial Consulting plc Streets LLP (registered number OC309545), Streets Audit LLP (registered number OC309381), Streets Northern LLP (registered number OC309382), Streets Southern LLP (registered number OC309380) and Streets Tax LLP (registered number OC309379) are all Limited Liability Partnerships registered in England. Their registered office is Tower House, Lucy Tower Street, Lincoln LN1 1XW. A list of the names of the members is available for inspection at this address. Streets Audit LLP is registered by the Institute of Chartered Accountants in England and Wales to carry out company audit work Streets Financial Consulting plc (registered number 2029793). Registered office : Tower House, Lucy Tower Street, Lincoln LN11 1XW. A list of directors is available for inspection at this address. Streets Financial Consulting plc is authorised and regulated by the Financial Services Authority
For regulation purposes, corporate finance work undertaken may be dealt with by Streets Financial Consulting plc, which is authorised and regulated by the Financial Services Authority

STREETS

Tower House
Lucy Tower Street
Lincoln
Lincolnshire
LN1 1XW

Tel: 01522 551200
Fax: 01522 533234

St Peters Chambers
2 Bath Street
Grantham
Lincolnshire
NG31 6EG

Tel: 01476 590838
Fax: 01476 590795

Halifax House
30 George Street
Hull
East Yorkshire
HU1 3AJ

Tel: 01482 225399
Fax: 01482 219964

Lloyd's Building
12 Leadenhall Street
London
EC3V 1LP

Tel: 020 7816 5827
Fax: 020 7816 5826

87 Park Road
Peterborough
Cambridgeshire
PE1 2TN

Tel: 01733 312191
Fax: 01733 896214

Churchgate House
33 Churchgate
Retford
Nottinghamshire
DN22 6PA

Tel: 01777 869955
Fax: 01777 869962

e enquiries@streetsweb.co.uk
www.streetsweb.co.uk