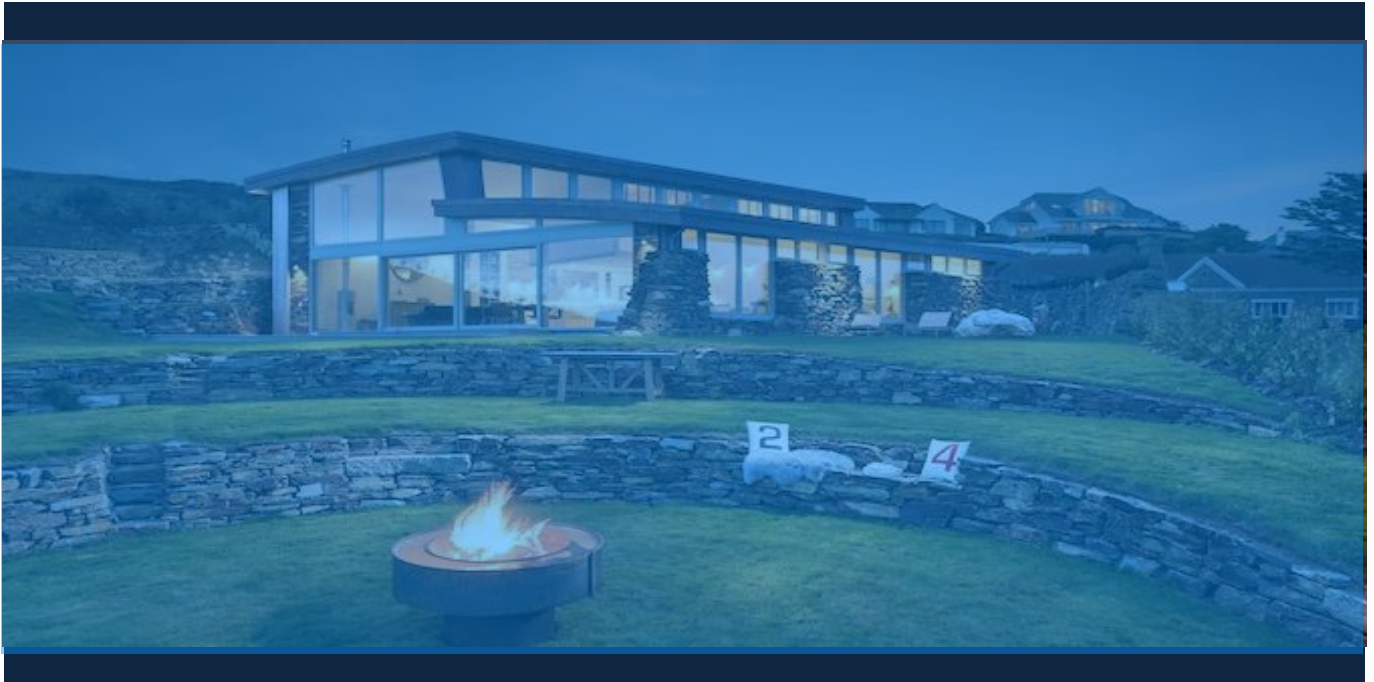


Broadcast

FACTSHEET: FHL – AIRBNB

SPECIAL ISSUE

01753 888211
www.nhllp.com



Airbnb and other short-term letting businesses will soon face greater government regulation. The relatively good news is that at least there are no proposals to change the tax regime. If you are, or thinking of becoming an Airbnb landlord, here are a summary of the key tax considerations.

Broadly there are 3 types of taxation treatment and reliefs that may apply.

1) Are you a FHL business?

Please see our other FHL related Broadcasts to understand if you qualify as an FHL (visit www.nhllp.com).

If you do, you will qualify for :

- a) More generous deductions for costs are allowed compared with those for non-FHL rental income. For example, you're entitled to claim full tax relief on interest and other finance costs which are usually subject to restrictions.
- b) Treatment for Capital Gains as a business
- c) Possible Inheritance Tax advantages in the right circumstances.
- d) FHL status can also apply to Airbnb-type arrangements where you let all or part of your home or a separate property.

2) Rent a-room relief

If you let part or all of your home while you're temporarily absent, rent you receive will be tax exempt if the income is no more than £7,500. If you own the property jointly with one or more other persons, the exemption is split. If the total rental income exceeds £7,500, you can choose to deduct either the

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3) The property allowance

This is a special tax allowance for rental income that's specifically for anyone who receives small amounts of rent from property. With minor differences, it works in a similar way to rent-a-room relief but is only £1,000 and it can be claimed only where rent-a-room relief or FHL status does not apply.

We can help

If you have any questions in relation to furnished holiday lets or any of the issues raised in this Broadcast, please call us on **01753 888 211** or email **info@nhllp.com**