

Tax and Accounts Services for Overseas Property Investors



Overseas Property Taxation Issues

Introduction

Investment in overseas property has long been regarded as something only for the very wealthy. Over recent years, with commuting times and costs to Europe and other destinations falling significantly, potential income and capital growth returns from overseas property investment are receiving much press attention. There has been growing interest amongst UK nationals not only in buying an overseas holiday home, but also in building property portfolios and, possibly, even a future place in the sun for retirement. With greater ease of travel, interest in this area is increasing rapidly.

The Basics

Whether you are just “dipping your toe in the water” for the first time, or are an established property investor, there are key taxation concepts of which you need to be aware when considering property investment overseas:-

- Residence and Domicile – What are the taxation implications?
- Income Tax – How do I deal with paying taxes in two countries?
- Capital Gains Tax – How are overseas properties treated?
- Inheritance tax – What are the implications of owning overseas properties?

Why do you need a Tax Adviser?

We believe that the following typical questions illustrate that taking advice at an early stage can mitigate what might be assumed to be “automatic taxes”.

- Can I change my domicile and avoid UK income tax by keeping income overseas?
- Can I avoid tax by moving overseas?
- If I move overseas, how long do I have to stay there to avoid being assessed for Capital Gains Tax on moving back to the UK?
- Can I claim 10% “wear and tear allowance” on overseas furnished property?
- Where on my Tax Return do I put overseas rental income?
- If I have paid overseas tax but have no profit due to expenses/other reliefs in the UK, how can I get relief for this?
- Should I set up a limited company in the UK to hold my overseas property investment?
- Would setting up an off-shore company assist me in sheltering Income Tax in the UK or avoid/delay UK Capital Gains Tax?
- If my overseas property is going to be solely for my private use, does this affect the exemption from Capital Gains Tax I currently have on my UK main residence?
- If there is a double tax treaty between the UK and the country in which I purchase property, what impact will this have on the general rules as to where income and gains are taxed?
- Should I own the property in my own name or have my spouse, who pays a lower rate of tax, own some or all of it?
- If I borrow money secured on my main residence to buy an overseas property, can I get tax relief for the interest against the rental income?

Our team at Nunn Hayward LLP have years of experience in dealing with such questions and many more. If you talk to us at an early stage we can assist you by identifying the pitfalls and opportunities from your overseas property proposition. We can then help you to implement the most appropriate planning to suit your financial and personal needs for overseas property in the future.

Nunn Hayward LLP

We are a leading firm of Chartered Accountants with a team of highly experienced and professional tax experts, offering a fully tailored service.

Our service is suitable for any property investor, regardless of the size of the property portfolio.

Nunn Hayward provides a high quality, cost effective service with confidentiality as paramount.

Our services include:

- ✓ Personal Tax Compliance & Planning
- ✓ Strategic & Long Term Planning for Managers
- ✓ Wealth Management
- ✓ Advisors to Entrepreneurial Business
- ✓ Exit Planning for Business Owners
- ✓ Outsourcing Service (Bookkeeping, Payroll, VAT)
- ✓ Year End Audit & Accounts Preparation
- ✓ Management Accounts
- ✓ Company Formation
- ✓ Business Planning & Corporate Finance
- ✓ Corporate Tax Compliance & Planning

Call to arrange a free no obligation consultation with one of our expert advisors

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