



## Holiday Home Tax Breaks Removed!!

From April 2010, holiday property landlords will no longer be able to write off “trading” losses from second homes against their tax bill.

Capital allowances, inheritance tax, entrepreneurs tax relief and capital gains benefits will also go.

It is estimated that up to 10,000 properties – valued at £200,000 each – are second homes that are furnished holiday lets.

Currently a home qualifies as a holiday property if it is furnished, being run as a commercial business and available for rent to the public for at least 140 days per year. It must also be let for at least 70 days per year to attract the tax benefits.

The current rules on furnished holiday lets are in conflict with European law and that is why the Treasury have been forced to change them.

Until 2010 the current tax breaks will be extended to landlords who own properties in other countries within the European Economic Area giving a new short term tax advantage.

## Tax saving ideas, if you act now.

Dependent upon individual circumstances and requirements, there are a number of options that can be explored to mitigate these changes. Various options have additional benefits too.

For specific information and advice tailored to your own situation, please contact Steve Bicknell at [www.accounting4biz.co.uk](http://www.accounting4biz.co.uk) (email: [steve@accounting4biz.co.uk](mailto:steve@accounting4biz.co.uk)) – Tel: 01202 512316.