

Update for Landlords

What you can write off against tax for replacement of domestic items in your rented properties

We are often asked to clarify what can be claimed if domestic items in your rented property are replaced.

The following notes are a short summary of GOV.UK published material regarding the Replacement of Domestic Items Relief (RDIR).

When you cannot claim

You cannot claim this relief if:

- The replaced items are in a property classified as a Furnished Holiday Let for tax purposes.
- You use the Rent-a-Room Scheme.
- The purchase is the initial cost of a domestic item(s) for a dwelling house. **PLANNING NOTE:** if you are purchasing a rental property with domestic items included, make sure that the contract itemises and values these items as this will then constitute the initial cost.

When you can claim

As the name implies, you can claim when a domestic item in your rented properties is replaced, subject to the above exclusions, and the item is for the exclusive use of your tenants and the old items are no longer available to tenants.

What are domestic items?

The examples quoted by HMRC are:

- movable furniture for example beds, free-standing wardrobes,
- furnishings for example curtains, linens, carpets, floor coverings,
- household appliances for example televisions, fridges, freezers,
- kitchenware for example crockery, cutlery.

What if the replacement is an improvement?

For example, if a new sofa costs £400 but a sofa bed costs £550, you can only claim the £400 as a deduction and no relief is available for the £150.

What if you sell the replaced item?

The amount of your claim would be the cost of the replacement plus the cost of acquiring or disposing of the old item, less any amount received on disposal of the old item.

The claim would also need to exclude any improvement cost, see above.

Please call if you need advice regarding the tax position of a specific purchase.

Higginson & Co (UK) Limited
