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Please tell us about your income from letting property

Our records show you've let property in the UK. We're writing to let you know you may have to pay tax on this income.

We receive information about landlords from third parties and other sources. These include, but aren't limited to, the **Tenancy Deposit Scheme**, and statutory returns we receive about '**Rents and other payments arising from land and property**'. We're contacting a small number of people whose tax records don't match this information.

We know tax can be complicated, and we want to help you get it right.

What you need to do

Please go to GOV.UK and search 'tax free allowances on property and trading income'. This will help you determine which years you need to declare property income for.

If you need to declare any income from renting out land or property, please follow the steps below.

We'll monitor your response to this letter so please take note of the deadlines.

To make a disclosure

1. Go to GOV.UK and search 'Make a Voluntary disclosure to HMRC'. Once on the page, read the information provided.

2. **To make a disclosure**, click ‘How to make a disclosure using the digital disclosure service’ on the page and follow the instructions provided.

3. **You should make a Notification of Intent (NOI) by [Date]**. We’ll then send you an acknowledgment and a payment reference number (PRN) usually within 30 days.

4. **Whilst you are waiting for your PRN,** calculate how much you owe from previous years. Go to GOV.UK and search ‘work out your rental income when you let property’. If you are in time to amend your tax return (usually within 12 months), go to GOV.UK and search ‘Self Assessment and follow the guidance ‘If you need to change your return’

5. **Within 90 days of receiving your PRN**, go to GOV.UK and search ‘Tell HMRC about underpaid tax from previous years’ to declare your income for all years you were unable to amend your tax return. You should also pay anything you owe, including any interest and penalties.

6. **From now on**, to get things right please make sure you declare all rental income on the ‘UK Property’ supplementary page of the Self Assessment return.
   You may also want to check your eligibility for Making Tax Digital. Go to GOV.UK and search ‘introduction to making tax digital’ for more information.

If you believe you have nothing to declare, you need to let us know the reason by [date]. Please email us at ISBC.OnshoreDisclosures@hmrc.gov.uk or call us on 0300 123 0998, quoting the reference number at the top of this letter.

For help understanding the risks of responding by email, go to GOV.UK and search ‘corresponding with HMRC by email’.

Capital Gains Tax

If you’ve disposed of a property, you may have to pay Capital Gains Tax as well as declaring the rental income. For more information about this, go to GOV.UK and search ‘Capital Gains Tax’.

Extra support

If your health or personal circumstances may make it difficult for you to deal with us, please tell us. We’ll help you in whatever way we can. For more information, go to GOV.UK and search ‘get help from HMRC if you need extra support’.

If you don’t respond to this letter by [date]

We may open a compliance check or a criminal investigation into your tax affairs. For more information, go to GOV.UK and search ‘CC/FS1a’.

We’ll treat any disclosures you make during an investigation as ‘prompted’. This means we may charge penalties of up to 100% of the additional tax, doubling what you owe.

More information

Go to GOV.UK and search:

- ‘CC/FS7a’, for penalties for inaccuracies in returns or docs
- ‘CC/FS11’, for penalties for failure to notify
- ‘CC/FS18a’, for penalties for failure to file returns on time
- ‘CC/FS9’, for more about your rights when making a disclosure.

If you have a professional adviser or someone else who helps you with your tax affairs, you may want to show them this letter.