Rental Income Tax Assessment Restriction tax relief for mortgage interest and finance expenses Illustration of impact on higher rate taxpayer

Rental income 10,000 Allowable rental expenses 10,000 Mortgage interest 10,000 Tax able rental income 5,000 Tax due at 40% 25,000 Tax year 2017/18 25,000 Rental income 10,000 Allowable rental expenses 10,000 Mortgage interest 10,000 Relief reduction (2,500) Tax due at 40% 10,000 Mortgage interest tax reduction 7,500 Tax year 2018/19 25,000 Rental income 25,000 Allowable rental expenses 10,000 Mortgage interest 10,000 Mortgage interest tax reduction (5,000) Relief reduction (5,000) Mortgage interest tax reduction (10,000) Tax able rental income 5,000 Tax year 2019/20 25,000 Rental income 10,000 Mortgage interest tax reduction 25,000 Mortgage interest tax reduction 10,000 Rental income 10,000 <t< th=""><th>Tax year 2016/17</th><th></th><th></th></t<>	Tax year 2016/17		
Mortgage interest 10,000 Taxable rental income 5,000 Tax due at 40% 2,000 Tax year 2017/18 25,000 Rental income 10,000 Allowable rental expenses 10,000 Mortgage interest 10,000 Relief reduction (2,500) Tax able rental income 7,500 Tax due at 40% 2,500 Mortgage interest tax reduction 2,500 Tax year 2018/19 2,500 Rental income 25,000 Allowable rental expenses 10,000 Mortgage interest 10,000 Mortgage interest tax reduction 5,000 Tax due at 40% 2,500 Mortgage interest tax reduction 10,000 Tax year 2019/20 2,000 Rental income 25,000 Allowable rental expenses 10,000 Mortgage interest 10,000 Rental income 25,000 Allowable rental expenses 10,000 Mortgage interest tax reduction 25,000 Tax due at 40	Rental income		25,000
Tax able rental income 5,000 Tax due at 40% 2,000 Tax year 2017/18 25,000 Rental income 25,000 Allowable rental expenses 10,000 Mortgage interest 10,000 Relief reduction (2,500) Tax due at 40% 3,000 Mortgage interest tax reduction 7,500 Tax year 2018/19 2,500 Rental income 25,000 Allowable rental expenses 10,000 Mortgage interest 10,000 Mortgage interest 10,000 Relief reduction (5,000) Mortgage interest 10,000 Tax able rental income 10,000 Tax due at 40% x 20% Mortgage interest tax reduction 25,000 Total tax due 25,000 Allowable rental expenses 10,000 Mortgage interest tax reduction 25,000 Rental income 25,000 Allowable rental expenses 10,000 Mortgage interest 10,000 Tax due at 40%	Allowable rental expenses	10,000	
Tax able rental income 5,000 Tax due at 40% 2,000 Tax year 2017/18 25,000 Rental income 10,000 Mortgage interest 10,000 Relief reduction (2,500) Taxable rental income 7,500 Tax due at 40% 3,000 Mortgage interest tax reduction 2,500 Tax year 2018/19 25,000 Rental income 25,000 Allowable rental expenses 10,000 Mortgage interest 10,000 Relief reduction (5,000) Mortgage interest 10,000 Tax able rental income 10,000 Tax due at 40% 4,000 Mortgage interest tax reduction 3,000 Tax year 2019/20 25,000 Rental income 25,000 Allowable rental expenses 10,000 Mortgage interest 10,000 Rental income 25,000 Allowable rental expenses 10,000 Mortgage interest tax reduction 12,500 Tax due at 40%	Mortgage interest	10,000	
Tax uear 2017/18 2,000 Rental income 25,000 Allowable rental expenses 10,000 Mortgage interest 10,000 Relief reduction (2,500) Taxable rental income 7,500 Tax due at 40% 3,000 Mortgage interest tax reduction 2,500 Total tax due 2,500 Tax year 2018/19 25,000 Rental income 10,000 Allowable rental expenses 10,000 Mortgage interest 10,000 Relief reduction (5,000) Tax due at 40% 4,000 Mortgage interest tax reduction 3,000 Tax due at 40% 4,000 Mortgage interest tax reduction 3,000 Tax year 2019/20 25,000 Rental income 25,000 Allowable rental expenses 10,000 Mortgage interest 10,000 Relief reduction (7,500) Tax due at 40% 5,000 Mortgage interest tax reduction 12,500 Tax due at 40% <t< td=""><td></td><td></td><td>(20,000)</td></t<>			(20,000)
Tax year 2017/18 25,000 Rental income 25,000 Allowable rental expenses 10,000 Mortgage interest 10,000 Relief reduction (2,500) Taxable rental income 7,500 Tax due at 40% 3,000 Mortgage interest tax reduction 2,500 Total tax due 2,500 Total tax due 25,000 Mortgage interest 10,000 Rental income 10,000 Mortgage interest 10,000 Relief reduction (5,000) Mortgage interest tax reduction (15,000) Tax able rental income 10,000 Tax due at 40% 4,000 Mortgage interest tax reduction 25,000 Total tax due 25,000 Rental income 10,000 Rental income 10,000 Allowable rental expenses 10,000 Mortgage interest 10,000 Tax year 2019/20 (12,500) Tax due at 40% 5,000 Mortgage interest tax reduction <t< td=""><td>Taxable rental income</td><td></td><td>5,000</td></t<>	Taxable rental income		5,000
Rental income 10,000 Allowable rental expenses 10,000 Mortgage interest 10,000 Relief reduction (2,500) Tax able rental income 7,500 Tax due at 40% 3,000 Mortgage interest tax reduction 2,500 Total tax due 2,500 Tax year 2018/19 25,000 Rental income 25,000 Allowable rental expenses 10,000 Mortgage interest 10,000 Relief reduction (5,000) Tax able rental income 10,000 Tax due at 40% 4,000 Mortgage interest tax reduction 3,000 Total tax due 25,000 Allowable rental expenses 10,000 Allowable rental expenses 10,000 Rental income 25,000 Allowable rental expenses 10,000 Mortgage interest 10,000 Relief reduction (7,500) Tax year 2019/20 (12,500) Tax due at 40% (12,500) Mortgage interest tax reduct	Tax due at 40%		2,000
Rental income 10,000 Allowable rental expenses 10,000 Mortgage interest 10,000 Relief reduction (2,500) Tax able rental income 7,500 Tax due at 40% 3,000 Mortgage interest tax reduction 2,500 Total tax due 2,500 Tax year 2018/19 25,000 Rental income 25,000 Allowable rental expenses 10,000 Mortgage interest 10,000 Relief reduction (5,000) Tax able rental income 10,000 Tax due at 40% 4,000 Mortgage interest tax reduction 3,000 Total tax due 25,000 Allowable rental expenses 10,000 Allowable rental expenses 10,000 Rental income 25,000 Allowable rental expenses 10,000 Mortgage interest 10,000 Relief reduction (7,500) Tax year 2019/20 (12,500) Tax due at 40% (12,500) Mortgage interest tax reduct			
Allowable rental expenses 10,000 Mortgage interest 10,000 Relief reduction (2,500) Taxable rental income 7,500 Tax due at 40% 3,000 Mortgage interest tax reduction 2,500 Total tax due 2,500 Total tax due 2,500 Tax year 2018/19 25,000 Rental income 10,000 Allowable rental expenses 10,000 Mortgage interest 10,000 Relief reduction (5,000) Tax due at 40% 4,000 Mortgage interest tax reduction 3,000 Total tax due 25,000 Tax year 2019/20 25,000 Rental income 25,000 Allowable rental expenses 10,000 Relief reduction (7,500) Tax due at 40% (7,500) Mortgage interest 10,000 Relief reduction (7,500) Total tax due 3,500 Tax year 2020/21 (1,500) Tax year 2020/21 (1,500)	•		
Mortgage interest Relief reduction 10,000 (2,500) Raxable rental income Tax due at 40% 7,500 Mortgage interest tax reduction 2,500 Total tax due 2,500 Total tax due 2,500 Total tax due 2,500 Total tax due 25,000 Allowable rental expenses 10,000 Mortgage interest 10,000 Mortgage interest at expenses 10,000 Relief reduction (5,000) Tax due at 40% 4,000 Mortgage interest tax reduction 3,000 Total tax due 25,000 Tax year 2019/20 25,000 Rental income 25,000 Allowable rental expenses 10,000 Mortgage interest 10,000 Relief reduction (7,500) Tax able rental income 12,500 Total tax due 3,500 Tax year 2019/20 (12,500) Rental income 25,000 Total tax due 3,500 Total tax due 12,500 Total tax due	Rental income		25,000
Relief reduction (2,500) (17,500) Taxable rental income 7,500 3,000 Mortgage interest tax reduction 2,500 x 20% (500) Total tax due 2,500 x 20% (500) Tax year 2018/19 x 25,000 x 25,000 Allowable rental expenses 10,000 x 20% (15,000) Mortgage interest 10,000 x 20% (15,000) Tax able rental income 5,000 x 20% (1,000) Tax due at 40% x 20% (1,000) Mortgage interest tax reduction 25,000 Total tax due 3,000 Tax year 2019/20 x 20% (1,000) Rental income 25,000 Allowable rental expenses 10,000 Relief reduction (7,500) (12,500) Tax adue at 40% 5,000 Mortgage interest tax reduction 12,500 Tax due at 40% 5,000 Mortgage interest tax reduction 25,000 Tax year 2020/21 25,000 Allowable rental expens	· ·	10,000	
Taxable rental income 7,500 Tax due at 40% 3,000 Mortgage interest tax reduction 2,500 x 20% (500) Total tax due 2,500 x 20% (500) Total tax due 2,500 x 20% (500) Total tax due 2,500 x 20% (500) Tax year 2018/19 Rental income 10,000 x 20% (15,000) Relief reduction (5,000) Taxable rental expenses 10,000 x 20% (1,500) Tax due at 40% x 20% (1,000) Total tax due 5,000 x 20% (1,000) Total tax due 5,000 x 20% (1,000) Total tax due 7,000 x 20% (1,000) Total tax due 7,000 x 20% (1,000) Total tax due 7,500 x 20% (1,000) Tax year 2019/20 Rental income 25,000 Allowable rental expenses 10,000 x 20% (1,000) Relief reduction (7,500) x 20% (1,500) Tax due at 40% 5,000 Mortgage interest tax reduction (1,500) Tax due at 40% 5,000 Tax due at 40% 5,000 Tax due at 40% 5,000 Tax year 2020/21 Rental income 25,000 Allowable rental expenses 10,000 Tax year 2020/21 Rental income 25,000 Allowable rental expenses 10,000 Tax due at 40% 5,000 Allowable rental expenses 10,000 Tax due at 40% 5,000 Allowable rental expenses 10,000 Tax due at 40% 5,000 Allowable rental expenses 10,000	0 0	10,000	
Taxable rental income Tax due at 40% Mortgage interest tax reduction 2,500 x 20% Total tax due 2,500 Total due at 40% Mortgage interest 10,000 Relief reduction (5,000) Taxable rental income Tax due at 40% Mortgage interest 10,000 Total tax due 3,000 Total tax due To	Relief reduction	(2,500)	
Tax due at 40% 3,000 Mortgage interest tax reduction 2,500 x 20% (500) Total tax due 2,500 Tax year 2018/19 Rental income 10,000 Mortgage interest 10,000 Relief reduction (5,000) Taxable rental income 10,000 Mortgage interest 10,000 Tax due at 40% 4,000 Mortgage interest tax reduction 5,000 x 20% (1,000) Total tax due 3,000 Mortgage interest 10,000 Mortgage interest tax reduction 5,000 x 20% (1,000) Tax year 2019/20 Rental income 25,000 Allowable rental expenses 10,000 Mortgage interest 10,000 Mortgage interest 10,000 Relief reduction (7,500) Taxable rental income 10,000 Relief reduction (7,500) Total tax due 12,500 Tax due at 40% 5,000 Mortgage interest tax reduction 7,500 x 20% (1,500) Total tax due 3,500 Tax year 2020/21 Rental income 25,000 Allowable rental expenses 10,000 Mortgage interest tax reduction 7,500 x 20% (1,500) Total tax due 3,500 Tax year 2020/21 Rental income 25,000 Allowable rental expenses 10,000 Allowable rental expenses 10,000 Tax year 2020/21 Rental income 25,000 Allowable rental expenses 10,000 Tax due at 40% 5,000 Mortgage interest tax reduction 15,000 Tax due at 40% 6,000 Mortgage interest tax reduction 15,000 Mortgage interest tax reduction 15,000 Mortgage interest tax reduction 15,000			
Nortgage interest tax reduction			7,500
Total tax due	Tax due at 40%		3,000
Tax year 2018/19 Rental income 25,000 Allowable rental expenses 10,000 Mortgage interest 10,000 Relief reduction (5,000) Taxable rental income 10,000 Tax due at 40% 4,000 Mortgage interest tax reduction 5,000 (1,000) Total tax due 3,000 Tax year 2019/20 25,000 Rental income 25,000 Allowable rental expenses 10,000 Mortgage interest 10,000 Relief reduction (7,500) Tax able rental income 12,500 Tax due at 40% 5,000 Mortgage interest tax reduction (15,500) Total tax due 3,500 Tax year 2020/21 25,000 Rental income 25,000 Allowable rental expenses 10,000 Allowable rental expenses 10,000 Tax year 2020/21 (10,000) Rental income 25,000 Allowable rental expenses 10,000 Allowable rental e	Mortgage interest tax reduction		
Tax year 2018/19 Rental income 25,000 Allowable rental expenses 10,000 Mortgage interest 10,000 Relief reduction (5,000) Taxable rental income 10,000 Tax due at 40% 4,000 Mortgage interest tax reduction 3,000 Total tax due 3,000 Tax year 2019/20 25,000 Rental income 25,000 Allowable rental expenses 10,000 Mortgage interest 10,000 Relief reduction (7,500) Tax able rental income 12,500 Tax due at 40% 5,000 Mortgage interest tax reduction (1,500) Total tax due 3,500 Tax year 2020/21 25,000 Rental income 25,000 Allowable rental expenses 10,000 Allowable rental expenses 10,000 Tax due at 40% 6,000 Mortgage interest tax reduction 15,000 Tax due at 40% 6,000 Mortgage interest tax reduction	2,500	x 20%	(500)
Tax year 2018/19 Rental income 25,000 Allowable rental expenses 10,000 Mortgage interest 10,000 Relief reduction (5,000) Taxable rental income 10,000 Tax due at 40% 4,000 Mortgage interest tax reduction 3,000 Total tax due 3,000 Tax year 2019/20 25,000 Rental income 25,000 Allowable rental expenses 10,000 Mortgage interest 10,000 Relief reduction (7,500) Tax able rental income 12,500 Tax due at 40% 5,000 Mortgage interest tax reduction (1,500) Total tax due 3,500 Tax year 2020/21 25,000 Rental income 25,000 Allowable rental expenses 10,000 Allowable rental expenses 10,000 Tax due at 40% 6,000 Mortgage interest tax reduction 15,000 Tax due at 40% 6,000 Mortgage interest tax reduction			
Rental income 25,000 Allowable rental expenses 10,000 Mortgage interest 10,000 Relief reduction (5,000) Taxable rental income 10,000 Tax due at 40% 4,000 Mortgage interest tax reduction 5,000 × 20% (1,000) Total tax due 3,000 Tax year 2019/20 25,000 Rental income 25,000 Allowable rental expenses 10,000 Mortgage interest 10,000 Relief reduction (7,500) Tax able rental income 12,500 Tax due at 40% 5,000 Mortgage interest tax reduction 3,500 Total tax due 3,500 Tax year 2020/21 25,000 Allowable rental expenses 10,000 Taxable rental income 25,000 Allowable rental expenses 10,000 Tax due at 40% 6,000 Mortgage interest tax reduction (10,000) Tax due at 40% 6,000 Mortgage interest tax reduction (2,000)	Total tax due		2,500
Rental income 25,000 Allowable rental expenses 10,000 Mortgage interest 10,000 Relief reduction (5,000) Taxable rental income 10,000 Tax due at 40% 4,000 Mortgage interest tax reduction 5,000 × 20% (1,000) Total tax due 3,000 Tax year 2019/20 25,000 Rental income 25,000 Allowable rental expenses 10,000 Mortgage interest 10,000 Relief reduction (7,500) Tax able rental income 12,500 Tax due at 40% 5,000 Mortgage interest tax reduction 3,500 Total tax due 3,500 Tax year 2020/21 25,000 Allowable rental expenses 10,000 Taxable rental income 25,000 Allowable rental expenses 10,000 Tax due at 40% 6,000 Mortgage interest tax reduction (10,000) Tax due at 40% 6,000 Mortgage interest tax reduction (2,000)			
Allowable rental expenses 10,000 Mortgage interest 10,000 Relief reduction (5,000) Taxable rental income 10,000 Tax due at 40% 4,000 Mortgage interest tax reduction (1,000) Total tax due 3,000 Tax year 2019/20 25,000 Rental income 25,000 Allowable rental expenses 10,000 Mortgage interest 10,000 Relief reduction (7,500) Tax able rental income 12,500 Tax due at 40% 5,000 Mortgage interest tax reduction 3,500 Total tax due 3,500 Tax year 2020/21 25,000 Rental income 25,000 Allowable rental expenses 10,000 Taxable rental income 15,000 Tax due at 40% 6,000 Mortgage interest tax reduction (2,000)	Tax year 2018/19		
Mortgage interest Relief reduction 10,000 (15,000) Taxable rental income 10,000 10,000 Tax due at 40% 4,000 4,000 Mortgage interest tax reduction 5,000 x 20% (1,000) Total tax due 3,000 3,000 Tax year 2019/20 x 20% 25,000 Rental income 10,000 25,000 Allowable rental expenses 10,000 12,500 Relief reduction (7,500) 5,000 Relief reduction 12,500 5,000 Tax due at 40% 5,000 5,000 Mortgage interest tax reduction 3,500 1,500 Total tax due 3,500 1,500 Tax year 2020/21 x 20% (1,500) Rental income 25,000 1,500 Allowable rental expenses 10,000 15,000 Tax able rental income 15,000 Tax due at 40% 6,000 Mortgage interest tax reduction (2,000)	Rental income		25,000
Relief reduction (5,000) Taxable rental income 10,000 Tax due at 40% 4,000 Mortgage interest tax reduction 5,000 x 20% (1,000) Total tax due 3,000 Tax year 2019/20 x 20% 25,000 Rental income 10,000 25,000 Allowable rental expenses 10,000 40 Relief reduction (7,500) (12,500) Taxable rental income 12,500 Tax due at 40% 5,000 Mortgage interest tax reduction 3,500 Total tax due 25,000 Tax year 2020/21 x 20% (1,500) Rental income 25,000 Allowable rental expenses 10,000 Taxable rental income 15,000 Tax due at 40% 6,000 Mortgage interest tax reduction 15,000 Tax due at 40% 6,000 Mortgage interest tax reduction (2,000)	Allowable rental expenses	10,000	
Taxable rental income 10,000 Tax due at 40% 4,000 Mortgage interest tax reduction 5,000 x 20% (1,000) Total tax due 3,000 Tax year 2019/20 Rental income 25,000 Allowable rental expenses 10,000 Relief reduction (7,500) Taxable rental income (7,500) Taxable rental income 12,500 Taxable rental expenses 10,000 Mortgage interest 10,000 Taxable rental income 12,500 Tax due at 40% 5,000 Mortgage interest tax reduction 7,500 x 20% (1,500) Total tax due 3,500 Tax year 2020/21 Rental income 25,000 Allowable rental expenses 10,000 Taxable rental income 10,000 Taxable rental expenses 10,000 Taxable rental income 15,000	Mortgage interest	10,000	
Taxable rental income 10,000 Tax due at 40% 4,000 Mortgage interest tax reduction 5,000 x 20% (1,000) Total tax due 3,000 3,000 Tax year 2019/20 x 25,000 Rental income 10,000 25,000 Allowable rental expenses 10,000 10,000 Relief reduction (7,500) (12,500) Taxable rental income 12,500 12,500 Tax due at 40% 5,000 5,000 Mortgage interest tax reduction 3,500 1,500 Total tax due 3,500 25,000 Tax year 2020/21 25,000 1,000 Rental income 25,000 1,000 Allowable rental expenses 10,000 15,000 Tax due at 40% 6,000 Mortgage interest tax reduction 15,000 Tax due at 40% 6,000 Mortgage interest tax reduction 12,000	Relief reduction	(5,000)	
Tax due at 40% 4,000 Mortgage interest tax reduction 5,000 x 20% (1,000) Total tax due 3,000 Tax year 2019/20 25,000 Rental income 25,000 Allowable rental expenses 10,000 Mortgage interest 10,000 Relief reduction (7,500) Taxable rental income 12,500 Tax due at 40% 5,000 Mortgage interest tax reduction 3,500 Total tax due 3,500 Tax year 2020/21 25,000 Rental income 25,000 Allowable rental expenses 10,000 Taxable rental income 15,000 Tax due at 40% 6,000 Mortgage interest tax reduction (2,000)			(15,000)
Mortgage interest tax reduction 5,000 x 20% (1,000) Total tax due	Taxable rental income		10,000
Total tax due 5,000 x 20% (1,000) Tax year 2019/20 25,000 Rental income 10,000 (7,500) Mortgage interest 10,000 (7,500) Relief reduction (7,500) Taxable rental income 12,500 Tax due at 40% 5,000 Mortgage interest tax reduction 7,500 x 20% (1,500) Total tax due 3,500 Tax year 2020/21 25,000 Rental income 25,000 Allowable rental expenses 10,000 Tax due at 40% (10,000) Tax due at 40% 6,000 Mortgage interest tax reduction 15,000 Tax due at 40% 2000 Mortgage interest tax reduction 15,000 Tax due at 40% 2000 Mortgage interest tax reduction 10,000	Tax due at 40%		4,000
Total tax due 3,000 Tax year 2019/20 25,000 Rental income 10,000 Allowable rental expenses 10,000 Mortgage interest 10,000 Relief reduction (7,500) Taxable rental income 12,500 Tax due at 40% 5,000 Mortgage interest tax reduction 7,500 x 20% (1,500) Total tax due 3,500 Tax year 2020/21 25,000 Rental income 25,000 Allowable rental expenses 10,000 Tax due at 40% 6,000 Mortgage interest tax reduction 15,000 Tax due at 40% 6,000 Mortgage interest tax reduction (2,000)			
Tax year 2019/20 Rental income	•	x 20%	(1,000)
Rental income 25,000 Allowable rental expenses 10,000 Mortgage interest 10,000 Relief reduction (7,500) Taxable rental income 12,500 Tax due at 40% 5,000 Mortgage interest tax reduction x 20% (1,500) Total tax due 3,500 Tax year 2020/21 Rental income 25,000 Allowable rental expenses 10,000 Tax due at 40% (10,000) Mortgage interest tax reduction 15,000 Mortgage interest tax reduction (2,000)	Total tax due		3,000
Rental income 25,000 Allowable rental expenses 10,000 Mortgage interest 10,000 Relief reduction (7,500) Taxable rental income 12,500 Tax due at 40% 5,000 Mortgage interest tax reduction x 20% (1,500) Total tax due 3,500 Tax year 2020/21 Rental income 25,000 Allowable rental expenses 10,000 Tax due at 40% (10,000) Mortgage interest tax reduction 15,000 Mortgage interest tax reduction (2,000)			
Allowable rental expenses 10,000 Mortgage interest 10,000 Relief reduction (7,500) Taxable rental income 12,500 Tax due at 40% 5,000 Mortgage interest tax reduction 7,500 x 20% (1,500) Total tax due 3,500 Tax year 2020/21 Rental income 25,000 Allowable rental expenses 10,000 Taxable rental income 15,000 Tax due at 40% 6,000 Mortgage interest tax reduction 25,000 Tax due at 40% 6,000 Mortgage interest tax reduction 10,000 x 20% (2,000)	Tax year 2019/20		
Mortgage interest 10,000 Relief reduction (7,500) Taxable rental income 12,500 Tax due at 40% 5,000 Mortgage interest tax reduction 7,500 x 20% (1,500) Total tax due 3,500 Tax year 2020/21 Rental income 25,000 Allowable rental expenses 10,000 Taxable rental income 15,000 Tax due at 40% 6,000 Mortgage interest tax reduction 10,000 10,000 x 20% (2,000)	Rental income		25,000
Relief reduction (7,500) Taxable rental income 12,500 Tax due at 40% 5,000 Mortgage interest tax reduction 7,500 x 20% (1,500) Total tax due 3,500 Tax year 2020/21 Rental income 25,000 Allowable rental expenses 10,000 Taxable rental income 15,000 Tax due at 40% 6,000 Mortgage interest tax reduction 10,000 x 20% (2,000)	· ·	10,000	
Taxable rental income 12,500 Tax due at 40% 5,000 Mortgage interest tax reduction 7,500 x 20% (1,500) Total tax due 3,500 Tax year 2020/21 Rental income 25,000 Allowable rental expenses 10,000 Taxable rental income 15,000 Tax due at 40% 6,000 Mortgage interest tax reduction 10,000 x 20% (2,000)	Mortgage interest		
Taxable rental income 12,500 Tax due at 40% 5,000 Mortgage interest tax reduction 7,500 x 20% (1,500) Total tax due 3,500 Tax year 2020/21 Rental income 25,000 Allowable rental expenses 10,000 Taxable rental income 15,000 Tax due at 40% 6,000 Mortgage interest tax reduction (2,000)	Relief reduction	(7,500)	•
Tax due at 40% 5,000 Mortgage interest tax reduction 7,500 x 20% (1,500) Total tax due 3,500 Tax year 2020/21 Rental income 25,000 Allowable rental expenses 10,000 Taxable rental income 15,000 Tax due at 40% 6,000 Mortgage interest tax reduction 10,000 x 20% (2,000)			
Mortgage interest tax reduction 7,500 x 20% Total tax due Tax year 2020/21 Rental income Allowable rental expenses 10,000 Taxable rental income 15,000 Tax due at 40% Mortgage interest tax reduction 10,000 x 20% (2,000)			
7,500 x 20% (1,500) Total tax due 3,500 Tax year 2020/21 Rental income 25,000 Allowable rental expenses 10,000 Taxable rental income 15,000 Tax due at 40% 6,000 Mortgage interest tax reduction 10,000 x 20% (2,000)	Tax due at 40%		5,000
Total tax due 3,500 Tax year 2020/21 Rental income 25,000 Allowable rental expenses 10,000 Taxable rental income 15,000 Tax due at 40% 6,000 Mortgage interest tax reduction 10,000 x 20% (2,000)			
Tax year 2020/21 Rental income 25,000 Allowable rental expenses 10,000 Taxable rental income 15,000 Tax due at 40% 6,000 Mortgage interest tax reduction 10,000 x 20% (2,000)	,	x 20%	
Rental income 25,000 Allowable rental expenses 10,000 Taxable rental income 15,000 Tax due at 40% 6,000 Mortgage interest tax reduction 10,000 x 20% (2,000)	Total tax due		3,500
Rental income 25,000 Allowable rental expenses 10,000 Taxable rental income 15,000 Tax due at 40% 6,000 Mortgage interest tax reduction 10,000 x 20% (2,000)			
Allowable rental expenses 10,000 (10,000) Taxable rental income 15,000 Tax due at 40% 6,000 Mortgage interest tax reduction 10,000 x 20% (2,000)	•		
Taxable rental income 15,000 Tax due at 40% 6,000 Mortgage interest tax reduction (2,000)			25,000
Taxable rental income 15,000 Tax due at 40% 6,000 Mortgage interest tax reduction 10,000 x 20% (2,000)	Allowable rental expenses	10,000	
Tax due at 40% 6,000 Mortgage interest tax reduction 10,000 x 20% (2,000)			_
Mortgage interest tax reduction 10,000 x 20% (2,000)			
10,000 x 20% (2,000)			6,000
		200/	(2.000)
10tai tax que 4,000	*	x 20%	_
	iotal tax que		4,000

This illustration is for general information only and is not intended to be advice to any specific person. You are recommended to seek professional advice before taking any action on the basis of the contents.