

Guernsey or Alderney properties – Statutory Repairs Allowance

Where you are responsible for the costs of repairing your let property you will be entitled to the Statutory Repairs Allowance (a deduction from the rental income, known as the “SRA”) whether or not you incur any expenditure. In addition, any direct expenses paid by you which would normally be borne by the tenant (e.g. water, electricity, etc) will be deducted before the SRA is calculated. The rates of SRA are:

Dwelling (let furnished) and holiday letting of own residence	15% of the gross rent after the deduction of any direct expenses
Dwelling (let unfurnished)	10% of the gross rent after the deduction of any direct expenses
Other buildings (including glasshouses)	10% of the gross rent after the deduction of any direct expenses
Land	2½% of the gross rent after the deduction of any direct expenses

Where you are not responsible for **all** repairs the rate of deduction is reduced accordingly.

The Income Tax Office will calculate the allowance due.

Excess Repairs Allowance

You may be entitled to an additional repairs allowance for the cost of repairing, maintaining, insuring or managing any let property. If you wish to make a claim, please provide a schedule of the expenses and the amounts incurred. A claim for repairs and maintenance should be made annually if applicable. Evidence may be requested.

The Income Tax Office will calculate any allowance due by averaging the expenditure incurred in the previous five year period and will keep a running total of expenditure claimed. The allowance can only reduce the income to nil, it cannot create a loss.

Repairs claimed as a business expense will not be allowed as part of an excess repairs allowance claim.

Property outside Guernsey and Alderney

Details of any expenses incurred in connection with the property should be provided with the return, to enable the correct rental income to be calculated; evidence of any expenses claimed may be requested.

Where a property is let furnished, you are entitled to a 10% wear and tear allowance in accordance with Statement of Practice M2 (which can be found in the Statements of Practice booklet (available on our website at <http://www.gov.gg/tax> under “Practitioners and technical information”).