

# Axe the Tenant Tax

**Axe the Tenant Tax** is an umbrella coalition of individuals and organisations who represent more than 150,000 landlords and who in turn, provide housing for in excess of one million tenants.

**Tenants, landlords and property professionals take notice.**

## Section 24 will result in:

1. Significant rent increases, forced evictions and less available properties to rent for tenants
2. At least a 20% increase in tax payable for most landlords with mortgaged properties without them earning a penny of extra income
3. Steep decline in demand and ability to pay for professional services such as lettings and property management

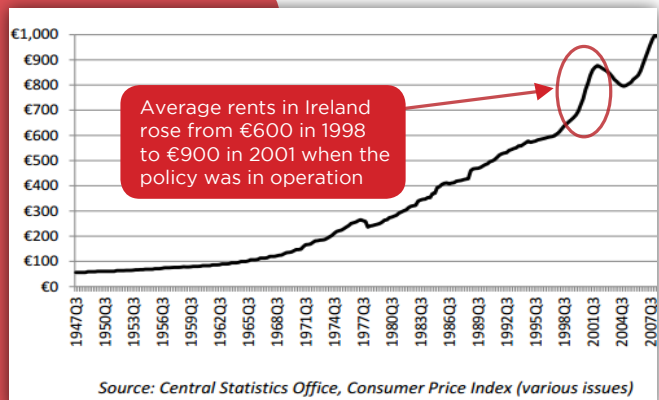
These changes to mortgage taxation rules are an unfair tax on tenants and a bad tax policy that will worsen the housing crisis.

*"This line of argument is plain wrong... that the current tax system supports landlords over ordinary homeowners and that it puts investing in a rental property at an advantage. Rental property is taxed more heavily than owner occupied property. The problem is a lack of supply. This change (Section 24) will not solve that problem."*

## The Institute of Fiscal Studies

A similar policy was implemented in Ireland in 1998 and abolished three years later after rents increased by

# 50%



*"Far from levelling the tax playing field, this policy puts a cliff face through the middle of it... It is likely that landlords will increase their rents to compensate for the loss of tax relief and the number of rental properties may decrease."*

## Institute of Chartered Accountants for England and Wales

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*"If rent was to go up we wouldn't be able to save for a mortgage at all, we'd have no spare money to put aside to save for a deposit for a mortgage, so sadly the ultimate dream wouldn't exist anymore."*

**Hannah Lockley, Tenant and Office Manager**

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*"Section 24 contravenes the Generally Accepted Accounting Principles (GAAP) that HMRC will continue to use for every other enterprise in the country."*

**Nicholas Hopkin, retired Senior Partner, PwC**

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Most landlords will pay extra tax of **20%** or more on their annual mortgage and finance interest costs. The tax they pay might be bigger than their real profit, leaving them with a rental loss and a cash shortfall. And the tax will be payable even if they make a real loss.

This tax discriminates against landlords with mortgaged properties owned in their own name.

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It does not affect the wealthiest landlords with no mortgage or anyone who owns property through a company.

## Our objective

We need your help to:

- 1 Overturn Section 24 via a Judicial Review  
**OR**
- 2 Make the Government remove the retroactive nature of Section 24, so that buy to let property purchases made prior to April 2017 are excluded from its scope

**To do this, we need to raise significant funds to proceed with the legal case and continue with an integrated and effective media, PR and lobbying campaign.**

For more information, please visit [www.tenanttax.co.uk](http://www.tenanttax.co.uk)