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## Helpsheets

These helpsheets give detailed information about particular tax rules for the 'UK property' pages. Go to [www.gov.uk/self-assessment-forms-and-helpsheets](http://www.gov.uk/self-assessment-forms-and-helpsheets)

Helpsheet 227, 'Losses'

Helpsheet 251, 'Agricultural land'

## Filling in the 'Trust and Estate UK property' pages

The 'Trust and Estate UK Property' pages apply both to rental businesses with numerous properties, and to trusts or estates with one property to rent.

Fill in these pages if the trust or estate has:

- rental income and other receipts from land and property in the UK
- chargeable premiums arising from leases of land in the UK
- a reverse premium

Do not include income from land or property overseas.

If you want to claim Foreign Tax Credit Relief for any foreign tax paid, fill in page TF 3 on the 'Trust and Estate Foreign' pages.

The 'Trust and Estate Foreign' pages are available at [www.gov.uk/self-assessment-forms-and-helpsheets](http://www.gov.uk/self-assessment-forms-and-helpsheets)

Do not include income from land or property:

- that you hold in strict settlement governed by the provisions of the Settled Land Act 1925
- the letting and management of which you've delegated to a beneficiary under section 29(1) Law of Property Act 1925 or under section 9 of the Trusts of Land and Appointment of Trustees Act 1996

In both cases it will usually be the tenant for life who is carrying on the rental business and they include the income and expenses in their personal tax return.

There are certain receipts that arise out of the use of land that you must not include in these pages. You must fill in the 'Trust and Estate Trade' pages if the trust or estate runs the following type of business:

- canals, inland navigations and docks
- mines and quarries, including sandpits, gravel pits and brickfields
- rights of markets and fairs, tolls, bridges and ferries

This list is not comprehensive. If you do not know whether to include a particular sum, ask us or your tax adviser.

### Gather together your records of rents received and expenses

Everyone who fills in the 'Trust and Estate UK Property' pages should read the general guidance below.

## Return period

Include in these pages all trust or estate profits arising in the year from 6 April 2025 to 5 April 2026 from any land or property held in the UK. You must allocate income and expenses to the correct return period. For estates, the allocation you use will depend on if you're using cash basis or traditional accounting. Trusts cannot use cash basis.

If you have accounts for the property income for the period to 5 April 2026, transfer the figures in those accounts to these pages.

If you have accounts for a period ending on or between 31 March and 4 April you can treat your accounting period as if it ends on 5 April. This means you can report those profits without apportioning for the 5 days after 31 March.

If you have accounts for the property income for a period ending on any other date, you should apportion figures in the set of accounts that between them cover the period from 6 April 2025 to 5 April 2026, before putting figures on the 'Trust and Estate UK Property' pages.

Accounts are prepared for a variety of reasons and in a variety of ways. It may not be immediately obvious where to enter some of your figures. The notes that follow are designed to give guidance in the most difficult areas but they are not intended to be hard and fast rules.

In some instances you may need to combine or apportion your figures to fit the Trust and Estate Tax Return. If you include an expense under one heading where another may be equally appropriate, you must be consistent from one year to the next.

Make sure that you transfer all the entries in your accounts and that you include them once only.

If you do not have accounts, fill in the pages, using a generally accepted accounting practice to work out the taxable profit or, for estates, using cash basis. If you need help, ask us or your tax adviser.

## Property income

If the trust or estate owns land or property in the UK and enters into any transaction that results in rents or other receipts from the land or property, it's treated as operating a rental business and is taxable on the profits.

The concept of a rental business is broad. The rental profit or loss takes account of all rental and similar income, and related expenses, resulting from the exploitation of land or property in the UK. All activities by which the trust or estate derives income from land and property in the same capacity are treated as activities of the one business. It does not matter if the trust or estate has a single property or numerous properties. All form a single business.

The guidance below tells you what income and what expenses to include in the profits or losses of the rental business.

For most rental businesses the information you give on the 'Trust and Estate UK Property' pages will be sufficient. But if there are any points that need further explanation please provide details in the 'Additional information' box, box 21.9, on page 12 of the Trust and Estate Tax Return.

If the 'Trust and Estate UK Property' pages and box 21.9, if appropriate, do not provide a full and fair picture of the trust's or estate's rental business, you may consider the submission of further information, including perhaps accounts or supplementary calculations, necessary. But you must complete the 'Trust and Estate UK Property' pages as well.

## Box 3.19A

### Estates only traditional accounting

Estates only, put 'X' in box 3.19A if you used traditional accounting rather than cash basis.

For estates of deceased persons, if your receipts from your property business are over £150,000 for the tax year, you must use traditional accounting.

### Cash basis

For estates of deceased persons, cash basis is a simpler way of working out your property profits or losses. You add up all your property income received and take off any allowable expenses paid in the year.

If you use cash basis do not include money you owe or money you are owed at the end of the year. You cannot claim capital allowances if you're using cash basis. The only exception is cars.

For guidance on deciding if cash basis or traditional accounting is the right option for you, go to [www.gov.uk/guidance/income-tax-when-you-rent-out-a-property-working-out-your-rental-income](http://www.gov.uk/guidance/income-tax-when-you-rent-out-a-property-working-out-your-rental-income)

You can decide each year if cash basis is the best option for you and you must tell us each year if you're using traditional accounting and not cash basis.

### Transitional adjustments

If you're changing accounting practice, you may need to make a transitional adjustment. For guidance on the adjustments you'll need to make, go to [www.gov.uk/guidance/income-tax-when-you-rent-out-a-property-working-out-your-rental-income](http://www.gov.uk/guidance/income-tax-when-you-rent-out-a-property-working-out-your-rental-income)

All transitional receipts must be included in box 3.20 and all transitional expenses must be included in box 3.29.

## Income

### Rents and other income from land and property

#### Box 3.20

Enter in box 3.20 the total of all income arising to the trust or estate from any land and property you've rented out in the UK, chargeable premiums and reverse premiums (read the notes for box 3.22 below and box 3.22A on page TLN 3).

Income includes receipts in cash or in kind. When using traditional accounting rather than cash basis, income is taxable when it's earned, even if the trust or estate does not receive the money or goods until later. Include in box 3.20 any rent the trust or estate receives (or will receive) after 5 April 2026 which is payment for the year ended 5 April 2026 (because it's paid in arrears).

Exclude any rent received which relates to any period after 5 April 2026 (because it's paid in advance). It must be included in the income for the year to which it relates. Make sure you do not count money received in this year if it was included in an earlier year.

If the trust or estate receives income from way leaves and also receives rents from some or all of the land to which the way leaves relate, include the way leaves at box 3.20. If the trust or estate is carrying on a trade and the land to which the way leaves relate is used in that trade, include the way leaves as part of the trading income at box 1.50 of the 'Trust and Estate Trade' pages. Otherwise, include the way leaves as 'other income' at boxes 9.17 and 9.19 on page 5 of the Trust and Estate Tax Return.

Generally, most income will be rental income from a tenancy, leasing or licensing agreements over the land or property. Include rental income from furnished, unfurnished, commercial and domestic accommodation, and from any land, in the overall total. If the property is let furnished, any sums that a tenant may pay for the use of furniture will be taxable as income of the business. Add all this income together and enter it in box 3.20.

### Property let jointly

If the trust or estate lets property jointly with one or more other persons, include only the trust's or estate's share of income in box 3.20 and the share of expenses in boxes 3.24 to 3.29.

If notice of that share of income is received after expenses have been deducted, enter the share of profit in box 3.20, leaving boxes 3.24 to 3.29 blank, or of any loss in box 3.29. Tick box 3.45 to show the 'Trust and Estate UK Property' pages include details of shared property and enter the name and address of the person nominated to keep records in the 'Additional information' box, box 21.9, on page 12 of the Trust and Estate Tax Return.

### Receipts other than rent

Receipts other than rents are also taxable. Some of the main categories are:

- rent charges, ground rents and feu duties
- income arising from the grant of sporting rights
- income arising from letting others tip waste on the land
- income from letting someone use the land when no lease or licence is created, for example, receipts from a film crew who pay to film on the land
- grants received from local authorities towards the cost of repairs of a property – read the notes for box 3.25 on page TLN 3 for guidance on claiming relief for expenses on repairs

This list is not comprehensive. If you do not know whether to include a particular sum, ask us or your tax adviser.

### Tax deducted

#### Box 3.21

Certain income from property is received after tax has been deducted and accounted for to us. The main type of income from which tax may be deducted is rental income received by a landlord whose usual place of abode is outside the UK.

If the income in box 3.20 includes payments to the trust and estate from which tax has been deducted, enter the amount of tax deducted in box 3.21.

Make sure that the amount of income entered in box 3.20 includes any tax deducted. Put the total amount received plus the tax that has been deducted, not just the amount received after the tax has been deducted.

### Chargeable premiums

#### Box 3.22

The income of the rental business may include premiums paid for the grant of a lease and certain other lump sum payments, and other forms of consideration given in connection with the right to possession of a property. These are taxable on a special basis.

Broadly, for leases over 50 years the entire premium is treated as a capital receipt and so does not form part of the business's income. For leases of up to 50 years the premium is treated as partly capital and partly rent, only the rent is taxable.

Use the working sheet below to calculate the taxable amount.

### Working sheet: chargeable premiums – leases up to 50 years

Premium	A	£	<input type="text"/>
Number of complete periods of 12 months in the lease (ignore the first 12 months of the lease)	B		<input type="text"/>
50 minus box B	C		<input type="text"/>
Box C divided by 50	D		<input type="text"/>
Box A multiplied by box D	E	£	<input type="text"/>

Copy the figure in box E to box 3.22.

Trustees are chargeable at the trust rate (45%) on the full amount of any premium which is treated as rent even if they are not normally liable at that rate. However, the amount chargeable at the trust rate cannot exceed the total profit from rental income (the amount in box 3.42). So, where trustees are not normally liable at the trust rate and the total profit in box 3.42 is higher than the premium shown in box 3.22, the amount in box 3.22 is chargeable at 45% and the difference between that amount and the amount in box 3.42 is chargeable at basic rate (20%).

If the total profit in box 3.42 is lower than the amount in box 3.22, all of box 3.42 is chargeable at 45%. If there's an overall loss so that box 3.42 is nil, no part of the premium is liable at 45%.

If you're not sure if any payment received constitutes a premium, ask us or your tax adviser. There can be a premium charge where you've assigned a lease but not required the payment of a premium. If you've assigned a lease and are not sure of all the consequences of that assignment, ask us or your tax adviser for advice.

### Reserve premiums

#### Box 3.22A

If the trust or estate receives a payment or other benefit as an inducement to take an interest in property for letting, that receipt will be chargeable as income from property. If such a receipt is for premises from which the trust or estate is to trade, read the note for box 1.91 on page 7 of the 'Notes on Trust and Estate Trade'.

If you're not sure about the proper tax treatment of a reverse premium, ask us or your tax adviser.

### Expenses

If the total property income in the year, before expenses is less than £90,000 annually, you do not have to list expenses separately. Instead, enter total expenses in box 3.29.

The following guidelines give an indication of the main types of expenses that are likely to arise in a rental business and what usually can or cannot be claimed as a deduction.

#### Non-allowable expenses:

- a trustee's or personal representative's personal expenses (read the notes for box 3.32 on page TLN 4)
- capital costs, such as expenses relating to the purchase of the land or property it intends to let, or the cost of altering or extending the property
- any loss made on the sale of a property

#### Allowable expenses:

- in general any costs incurred for the sole purpose of earning business profits, with any residential finance costs appropriately restricted
- you may be able to claim capital allowances on the cost of buying a capital asset for a commercial property

Expenditure incurred on the provision of plant or machinery for use in a dwelling house is not qualifying capital allowances expenditure for a property. You may be able to deduct the cost of replacing domestic items in let furnished dwelling houses.

For more information go to [www.gov.uk/business-tax/capital-allowances](http://www.gov.uk/business-tax/capital-allowances)

The expenses must be allocated to the correct return period and it may be necessary to apportion certain expenses to arrive at the correct amount.

Make sure you do not enter in boxes 3.24 to 3.29 any expenses you've already included in boxes 3.2 to 3.7.

### Rent, rates, insurance and ground rents

#### Box 3.24

Any rent paid under a lease of a property that's let to someone else can be deducted in working out the trust's or estate's profits.

Other expenses connected with the property such as business rates, Council Tax, water rates, or ground rents are also allowable. Enter in box 3.24 the total of any such expenses incurred in the period for all properties in the business.

Enter in box 3.24 any expenses the trust or estate must incur as landlord to insure any let property and its contents.

Insurance against loss of rents is also an allowable cost but you must include in box 3.20 any income received as a result of taking out such an insurance. Insurances that extend beyond the trust's or estate's rental business, such as a trustee's or personal representative's personal policies or those insuring private belongings, are not allowable costs.

### Repairs and maintenance

#### Box 3.25

##### Repairs

Expenses that prevent the property from deteriorating can be deducted as a repair. Examples include exterior and interior painting, stone cleaning, damp treatment, roof repairs, furniture repairs and repairs to lifts and other machines that form part of the property.

You cannot deduct the cost of expenditure incurred on improvements, additions and alterations to the property. Nor can you claim a deduction for the cost of notional repairs that are no longer required as a result of this capital expenditure.

If you're not sure if any work on the property is a repair, ask us or your tax adviser.

##### Renewals

Use box 3.36 for the costs of replacing domestic items such as furniture, furnishings, appliances and kitchenware.

Enter in box 3.25 the total of any expenses on repairs incurred in the period for all the properties in the business.

## Non-residential property finance costs

### Box 3.26

These are expenses that relate to the financial side of the rental business. Costs incurred in obtaining a loan or an alternative finance arrangement to buy a non-residential property that's let are allowable as a deduction. So is any interest incurred on the loan or alternative finance payments under an alternative finance arrangement. An alternative finance payment is the charge made by your finance provider over and above the original cost of the asset in the alternative finance arrangement. If you're not sure if any financial cost is allowable as a deduction, ask us or your tax adviser.

### Residential property finance costs restriction

The cost of getting a loan or alternative finance to buy a property that's let, and any interest on those loans and alternative finance is restricted for residential let properties. For the tax year 6 April 2025 to 5 April 2026, no residential property finance costs are allowable as a deduction for each property business.

Accumulation or discretionary trusts can use the finance costs as a basis for calculating their basic rate tax reduction. These trusts include residential finance costs in box 3.46. Other types of trusts must not use box 3.46.

For estates of deceased persons and interest in possession trusts, do not enter an amount in box 3.46. The finance costs are used by the beneficiaries as a basis for calculating their basic rate tax reductions. You'll need to tell the beneficiaries the figures for the profits of each property business and the finance costs that relate to each business.

For more information on the residential finance costs restriction, go to [www.gov.uk/guidance/changes-to-tax-relief-for-residential-landlords-how-its-worked-out-including-case-studies](http://www.gov.uk/guidance/changes-to-tax-relief-for-residential-landlords-how-its-worked-out-including-case-studies)

## Legal and professional costs

### Box 3.27

Below are some examples of expenses the trust or estate cannot deduct and those it may.

#### Non-allowable expenses:

- expenses in connection with the first letting or subletting of a property for more than one year – these include, for example, legal expenses (such as the cost of drawing up the lease), agents' and surveyors' fees and commission
- any proportion of the legal costs that relates to the payment of a premium on the renewal of a lease
- fees incurred in getting planning permission, or on the registration of title when buying a property

#### Allowable expenses:

- expenses for the let of a year or less
- management fees relating to the ongoing costs of letting (for example, rent collection)
- the normal legal and professional fees incurred on the renewal of a lease, if the lease is for less than 50 years
- professional fees incurred evicting an unsatisfactory tenant, with a view to reletting, or those on an appeal against a compulsory purchase order
- professional fees in drawing up accounts

If you're not sure if any legal or professional fee is allowable as a deduction, ask us or your tax adviser.

## Costs of services provided, including wages

### Box 3.28

If, in addition to letting a property, the trust or estate provides any service to the tenant (such as gardening, porterage, cleaning or even something like communal hot water) that requires a degree of repair and thus expense, you can claim the cost of these services where they are provided wholly and exclusively for the purposes of the letting.

Include in box 3.28 the total of any expenses for all properties and their associated services. If the trust or estate receives any income for any service provided, include this in box 3.20.

### Other expenses

#### Box 3.29

Enter in box 3.29 all expenses incurred wholly and exclusively for the purposes of the rental business that are not already included in boxes 3.24 to 3.28. Examples include the costs of rent collection, advertising for tenants, travelling solely for business purposes, stationery, phone calls and other miscellaneous expenses.

Remember though that a trustee's or personal representative's personal expenses are not allowable. If the trust or estate spends money on something used only partly for the property, you must enter only the amount expended for business purposes in box 3.29. Alternatively, enter the whole amount and deduct in box 3.32 the proportion of the cost that represents personal use.

#### Lease premium relief

Where the trust or estate (or an earlier tenant) paid a premium to the landlord when the lease was granted, and the trust or estate is subletting the property in the property business, it may be able to claim a deduction for part of the premium paid. The relief for premiums paid is only due on amounts which are chargeable on the landlord as income (or would be if the landlord were liable to tax). If you think the trust or estate is entitled to a deduction for a premium paid, ask us or your tax adviser. Enter the amount of the allowable deduction in box 3.29. The notes for box 3.22 on page TLN 3 explain how to calculate the part of the premium which is taxable on the landlord as income.

## Tax adjustments

To arrive at the trust's or estate's taxable income (or the loss allowable for tax purposes) you need to make certain adjustments to the net profit or loss arising in the year in box 3.31. The main adjustments are on pages TLN 5 and TLN 6.

### Private use

#### Box 3.32

Private and personal expenses are not allowable. If the trust or estate spends money on something used only partly for the rental business and partly for a non-business reason you must either:

- enter the amount expended for business purposes in boxes 3.24 to 3.29
- enter the whole expenses in those boxes and deduct in box 3.32 the proportion of the cost that represents the personal use or the non-business element

For example, if the trust or estate lets a property for only 8 months in a year and a trustee or personal representative uses it for the other 4 months, you can put the full annual cost of insuring the property in box 3.24. If you do, add back one third of that cost in box 3.32.

If you're not sure if a particular expense needs to be apportioned between business and private use, ask us or your tax adviser.

## Capital allowances and balancing charges

Include any capital allowances or balancing charges from any trust or estate investments in property.

### Boxes 3.33 to 3.35

In working out the rental business profits you must not deduct:

- the cost of buying, altering, building, installing or improving fixed assets
- depreciation or any losses that arise when you sell them

Instead, the trust or estate may be able to claim capital allowances in boxes 3.33A to 3.35. These reduce a profit or increase a loss.

An adjustment, known as a balancing charge, may arise when the trust or estate sells an item, gives it away or stops using it in the business. Enter the amount of balancing charges in box 3.33. These increase a profit or reduce a loss.

If the trust or estate lets a dwelling house in the UK, capital allowances are not available on any machines, furniture, furnishings supplied, the building or any structure to do with the dwelling house. However, read the notes for box 3.36 (cost of replacing domestic items).

You cannot claim capital allowances if you're using cash basis. The only exception is cars.

### Box 3.33A

You can claim 100% first year capital allowances for expenditure invested in the acquisition and installation of new and unused electric charge points for electric vehicles. Put the amount of expenditure incurred in box 3.33A.

### Box 3.33B

If you're eligible to claim the Structures and Buildings Allowance (SBA), put the amount of the claim in box 3.33B (unless you're claiming the enhanced SBA for structures and buildings in Freeport and Investment Zones tax sites, in which case, see box 3.33C). If you're claiming for the first time for a particular structure or building, use the 'Additional information' box, box 21.9 on the SA900 Trust and Estate Tax Return, to record the:

- date the building first came into qualifying use or if later, the date the qualifying expenditure was incurred
- total amount of qualifying expenditure incurred

To check if and how much you can claim, go to [www.gov.uk/guidance/claiming-capital-allowances-for-structures-and-buildings](http://www.gov.uk/guidance/claiming-capital-allowances-for-structures-and-buildings)

### Box 3.33C

If you're eligible to claim enhanced Structures and Buildings Allowance for Freeport and Investment Zones tax sites, put the amount of the claim in box 3.33C. If you're claiming for the first time for an amount of qualifying expenditure, use the 'Additional information' box, box 21.9 on the SA900 Trust and Estate Tax Return to record the:

- freeport/investment zone to which the claim relates
- address or location of the structure or building
- date the building first came into qualifying use, or if later, the date the qualifying expenditure was incurred
- date the first contract for construction was entered into

To check if, and how much, you can claim, go to [www.gov.uk/guidance/check-if-you-can-claim-enhanced-structures-and-buildings-allowance-relief-in-freeport-tax-sites](http://www.gov.uk/guidance/check-if-you-can-claim-enhanced-structures-and-buildings-allowance-relief-in-freeport-tax-sites)

### Box 3.33D

Claim the 100% first year allowance (the full cost) of any new and unused zero-emission or electric cars in this box. If you use a car outside of your business, you must reduce the claim in proportion to the non-business use.

## Fixtures

Under rules introduced in 2012 and 2014, a purchaser of a second-hand business property containing fixtures (such as kitchen fittings, electrical or heating systems) will not usually be entitled to claim allowances unless the past owner has 'pooled' its qualifying expenditure and has fixed the value of the fixtures.

'Pooling' includes making a claim for first year allowance or annual investment allowance for the expenditure. It's not necessary for the last owner to claim writing down allowances. As a rule, the past owner is the last person who was entitled to claim capital allowances on fixtures.

Normally, the value will be fixed by means of a joint section 198 CAA 2001 election, which must be notified to HMRC within 2 years of the property transaction. The amount the seller can bring into any pool as the disposal value will be the same amount as the amount the buyer can bring in as the acquisition value for capital allowances purposes.

If the trust or estate is contemplating buying, selling or leasing a business property containing fixtures, it may wish to consider contacting its tax adviser.

## Business Premises Renovation Allowance

Business Premises Renovation Allowance (BPRA) is no longer available for expenditure incurred from 6 April 2017. Put any BPRA claims for expenditure incurred before 6 April 2017 in box 3.35 and any BPRA balancing events in box 3.33. For more information about BPRA go to [www.gov.uk/guidance/business-premises-renovation-allowance-bpra](http://www.gov.uk/guidance/business-premises-renovation-allowance-bpra)

Your tax adviser, if you have one, will be able to tell you how to calculate capital allowances and balancing charges.

If you do not have a tax adviser, or want to check your calculation, you can find more information at [www.gov.uk/business-tax/capital-allowances](http://www.gov.uk/business-tax/capital-allowances)

## Cost of replacing domestic items

### Box 3.36

If the trust or estate lets any residential accommodation (such as a house or flat) in the UK, capital allowances are not available on expenditure on assets in the dwelling house. For more information, go to [www.gov.uk/business-tax/capital-allowances](http://www.gov.uk/business-tax/capital-allowances)

Instead, the trust or estate may claim the cost of replacement domestic items for use in the accommodation by putting an amount in box 3.36.

This cost can be claimed where:

- the cost is actually incurred on purchasing a replacement domestic item – you cannot claim the initial cost for an item provided for use in the accommodation for the first time
- the new item is provided solely for the use of the tenants in the accommodation and the old item is no longer available for use
- if the new item is an improvement on the old item, the cost you can claim is limited to the cost of purchasing an equivalent replacement to the old item – the new item is an improvement if there is a substantial upgrade in the function, materials or quality over the old item, unless this is due to the new item being the nearest available modern equivalent

Domestic items include, for example:

- moveable 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

The trust or estate can claim capital allowances if it lets furnished, but not residential, accommodation. If capital allowances can be claimed, it cannot claim the cost of replacing domestic items.

## Losses

The following guidance deals with the more common types of loss relief and assumes that the trust or estate does not own an agricultural estate. If it does own an agricultural estate, you can find more information in Helpsheet 251, 'Agricultural land'.

In general, any rental business loss made is available to be carried forward and set against future rental business profits. Read the notes for box 3.44 below. However, you can get sideways relief against general income for that part of a loss made up of capital allowances.

### Adjusted loss

#### Box 3.40

Work out the loss following the note on the box and enter it in box 3.40. Reduce the figure in box 3.44 by the same amount.

### Loss brought forward from previous year

#### Box 3.41

Enter the total loss brought forward from the year ended April 2025 relating to all properties in your property business. Exclude from this figure any losses brought forward from 2024 to 2025 that you're now setting against total income in 2025 to 2026. Include them in box 3.43 and read the note on box 3.43 below.

The total loss brought forward is the loss entered in box 3.44 of the 'Trust and Estate UK Property' pages for the year ended 5 April 2025.

#### Box 3.42

If you entered a figure of profit in box 3.39, deduct any figure in box 3.41 to arrive at the total taxable profit for the year. If any losses brought forward in box 3.41 are greater than the profits in box 3.39, enter 0 in box 3.42 and put the balance of the losses, after subtracting the profits, in box 3.44.

If the losses brought forward do not exceed the profits, subtract the figure in box 3.41 from the figure in box 3.39, and enter the result in box 3.42.

### Loss offset against total income

#### Box 3.43

You can only claim to have the loss from the rental business set off against the trust's or estate's total income if:

- the rental business includes land used for agricultural purposes and the loss is due to certain agricultural expenses, read Helpsheet 251, 'Agricultural land'
- the loss arises as a result of certain claims to capital allowances

If you've not claimed capital allowances this year, and there were rental business profits last year, ignore box 3.43 and go on to box 3.44.

If you've claimed capital allowances, sideways relief (against other income for 2025 to 2026) is limited to whichever is the lowest of the following 3 figures:

- the amount of capital allowances in box 3.35 after deduction of any balancing charges in box 3.33
- the amount of the loss in box 3.40
- the amount of other income

So, if capital allowances do not exceed the balancing charges entered in box 3.33, no sideways relief is available even though a loss was made in box 3.40.

But, for example, if there are capital allowances of £3,000 and a balancing charge of £1,000, you can claim sideways relief up to £2,000, depending on the amount of loss made (in box 3.40) and the total general income against which it can be set.

If you want to set the loss against other income of the same year, that is, the year ended 5 April 2026, enter the amount of the relief in box 3.43 together with any loss brought forward from last year (read the notes for box 3.41).

You can deduct the loss entered in box 3.40 from total income for the year ended 5 April 2027 if it derives from an excess of capital allowances over balancing charges and that excess has not already been used against 2025 to 2026 income as detailed above. Remember to include the loss in the 2026 to 2027 Trust and Estate Tax Return.

### Loss to carry forward to following year

#### Box 3.44

You can carry forward any unused losses and set them against future profits from the same rental business. To arrive at the total remaining losses to carry forward to the year ended 5 April 2027:

- if a profit was made in box 3.39 and there are unused losses brought forward from an earlier year, enter in box 3.44 the balance of losses after subtracting the profits in box 3.39
- if a loss was made in box 3.40, subtract from this figure any part of the loss used against general income in box 3.43, and add the result to the figure of earlier losses brought forward in box 3.41 – enter the total in box 3.44

### Property let jointly

#### Box 3.45

Tick box 3.45 if you've included in box 3.20, any income from property let jointly (read the notes on page TLN 2).

### Residential property finance costs

#### Box 3.46

For accumulation or discretionary trusts enter residential finance costs in box 3.46. This amount will be used to calculate a reduction in Income Tax.

For interest in possession trusts and estates of deceased persons, finance costs must not be entered in box 3.46. Instead, the finance costs are used by the beneficiaries as a basis for calculating their basic rate tax reductions. You'll need to tell the beneficiaries the figures for the profits of each property business and the finance costs that relate to each business.

### Unused residential property finance costs brought forward

#### Box 3.47

Put any unused residential property finance costs from earlier years in box 3.47. Any balance of the residential finance costs which is still unrelieved, may be carried forward to future years of the same property business.

For more information on the residential property finance costs restriction, go to [www.gov.uk/guidance/changes-to-tax-relief-for-residential-landlords-how-its-worked-out-including-case-studies](http://www.gov.uk/guidance/changes-to-tax-relief-for-residential-landlords-how-its-worked-out-including-case-studies)