**Trading and Property Allowance (as at 15 March 2018)**

Introduced in Finance Bill 2017 with effect from 6 April 2017. HMRC are currently finalising format of 2017/18 tax return, guidance notes, Gov.uk site,Property Income Manual and Business Income Manual.

* Allowance is £1,000 of GROSS income. Can claim both trading and property allowances.
* Applies to individuals only (not partnerships e.g husband and wife)
* No need to register for SA if gross income under £1,000 so full relief applies BUT
* Will need to register for SA if wish to pay class 2 NIC on trading income.
* File a return to claim that full relief does not apply if losses are to be claimed (numerous permutations).
* Can claim the higher of the trading allowance of £1,000 or expenses.
* Can opt in and out of SA if income fluctuates.
* The allowance can be allocated wholly or split if there are multiple trades.
* Property allowance or rent a room, not both.
* Complications re overlap relief, change of accounting date, post cessation receipts, CA’s, balancing charges/allowances.
* Anti avoidance rules re payments from close companies, employers, other artificial payments.
* Effect on student loan repayments, universal credit, working tax credit, etc.