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| Income from property is taxed under ITTOIA Part 2. By when must property letting accounts be drawn up? | As soon as possible after the year end | Within nine months of the year end | By 31 st March or 6 th April | By 31 st January following the end of the relevant tax year |
| When preparing accounts in relation to income from property lettings, certain deductions are allowable. Which of the following is not an allowable deduction? | Wear and tear allowance of 10% of income received | Legal fees for renewal of leases of less than 50 years | The cost of bringing a building up to standard so that it is in a fit state for letting | Renewal of furniture |
| Cornelius is a higher rate taxpayer and he pays some money into a building society account for his son, Peregrine. The interest from the account in the first year is £146 gross. How will this be treated for tax purposes? | Peregrine will pay no tax, because his personal allowance can be offset against it | Cornelius will pay tax of £29.20 | Peregrine can reclaim the tax deducted | Cornelius can reclaim the tax deducted on behalf of Peregrine |
| A system of interest and penalties has been established to help to enforce compliance with the self assessment system. Which of the following is true in this regard? | Interest is charged where a taxpayer claims a reduction in interim tax payments which turns out to be unjustified | There are no automatic fixed penalties other than for a return not being filed by 31 st January | HMRC may, at its discretion, levy a penalty based on the value of the tax unpaid | HMRC does not pay interest on overpaid tax |
| A homeowner took out a home income plan on February 6 th 1999. Which | Relief is given at 22% | The maximum amount for which relief is allowed is £30,000 | The homeowner must have attained 60 | No tax relief is allowed if less than 95% of the amount borrowed was |

of the following is true in relation to this arrangement?

used to buy a purchased life annuity