



Tax Reliefs for Dentists: How to Reduce Your Tax Bill

Dentists, like any other professionals, are required to pay taxes on their income. However, there are several tax reliefs available that can help dentists reduce their tax bills and increase their take-home pay. Here are some of the tax reliefs dentists should be aware of:

Capital Allowances

As a dentist, you will be investing heavily in dental equipment and furniture. The good news is that these investments can be claimed as capital allowances, which means that you can deduct the cost of the equipment from your taxable profits. This can significantly reduce your tax bill and improve your cash flow.

Professional Fees

Dentists are required to be registered with the General Dental Council (GDC) and pay an annual fee. This fee, along with other professional fees such as subscription to dental journals, memberships of professional associations, legal and accounting fees and indemnity insurance can be claimed as tax-deductible expenses.

Pension Contributions

Dentists can also make pension contributions as a tax relief. This means that contributions are made before tax is deducted, reducing the amount of income that is taxed. Not only does this reduce the amount of tax paid, but it also provides a way of saving for retirement.

Business Travel Expenses

Dentists who travel for business purposes, such as visiting patients or attending conferences, can claim tax relief on their travel expenses. This includes the cost of transportation, meals, and accommodation.

Use of Home as Office

If you work from home, you can claim tax relief on the expenses incurred on the proportion of your home that is used for business purposes. This includes the cost of heating, lighting, and other related expenses.



Tax efficient investments

Investing in tax-efficient investments can help you reduce your tax bill and increase your after-tax returns. Common examples of these include the following; Venture Capital Trusts (VCTs which are trusts that can provide you with income tax relief of up to 30% on the amount you invest, and any dividends and capital gains you receive from your VCT investment are tax-free. Enterprise Investment Schemes (EISs) which are funds that offer tax relief to investors who buy new shares in these companies which provide you with income tax relief of up to 30% on the amount you invest, and any capital gains you make from your EIS investment are tax-free. Seed Enterprise Investment Schemes (SEISs) which are similar to EISs, but they are designed to help very early-stage, higher-risk companies raise finance. Investing in SEISs can provide you with income tax relief of up to 50% on the amount you invest, and any capital gains you make from your SEIS investment are tax-free.

Company cars

In the UK, the tax relief on a company car depends on several factors, such as the value of the car, its CO2 emissions, and your personal tax situation. However electric cars are very tax efficient and allow you to buy or lease a car from pre taxation income.

Costs incurred whilst practicing

Costs that you incur solely for the purpose of your work as a dentist can be claimed as an expense. This includes; protective clothing, laundry and cleaning, Printing Postage and Stationery.

Payments to charities

Donating through Gift Aid means charities can claim an extra 25p for every £1 you give. It will not cost you any extra. If you pay tax at the higher rate threshold, you can claim the difference between the rate you pay and the basic rate on your donation.

In conclusion, dentists should be aware of the various tax reliefs available to them in order to reduce their tax bills and increase their take-home pay. By taking advantage of these tax reliefs, dentists can free up funds to reinvest in their businesses or personal lives. However, it is important to seek advice from a qualified accountant or tax specialist to ensure that you are claiming all the tax reliefs that are available to you.