

## **A GUIDE TO THE NON –RESIDENT LANDLORDS SCHEME**

A non resident landlord (NRL) is a person who has UK rental income and whose 'usual place of abode' is outside the UK.

Individual's who are outside the UK temporarily, say 6 months or less, are NOT non resident landlords.

Non resident landlords include members of HM Armed Forces and other Crown Servants who are outside the UK for over 6 months.

The Isle of Man, the Channel Islands and the Republic of Ireland are OUTSIDE the UK.

Rent can only be paid to a NRL where HM Revenue and Customs has issued an Authority to do so. A letting agent CANNOT pay rent gross to a NRL on the instructions of anyone else.

Where a property is jointly owned by more than one person for example a husband and wife, a separate H M Revenue and Customs Authority is required for each joint owner.

A HM Revenue and Customs Authority to pay rent with no tax deducted will specify the exact date from which it takes effect. No rent can be paid gross before that date.

Without the necessary Authority, tax MUST be deducted by the agent at the basic rate, after first deducting certain allowable expenses.

The tax deducted should be paid by the agent to HM Revenue and Customs within 30 days of the end of the quarter using form NRLQ. The quarters end on 30 June, 30 September, 31 December and 31 March.

Where tax is deducted from a Non Resident Landlord's rental income, the agent must give the landlord a tax deduction certificate relating to the year ended 31 March by the following 5 July.