

A Letting Agent's Guide to the Non-resident Landlords Scheme

Notes on the boxes overleaf

- [1] A non-resident landlord (NRL) is a person who has UK rental income and whose 'usual place of abode' is outside the UK. (*Guidance Notes, Chapter 2.1*). Individuals who are outside the UK temporarily – say, for 6 months or less – are **not** NRLs. (*Guidance Notes, Chapter 2.9*).
- [2] NRLs include members of HM Armed Forces and other Crown Servants who are outside the UK for over 6 months. (*Guidance Notes, Chapter 2.9*).
- [3] The Isle of Man, the Channel Islands and the Republic of Ireland – that is, Southern Ireland or Eire – are **outside** the UK.
- [4] Where a property is jointly owned by more than one person – for example, by a husband and wife – you need a separate Inland Revenue authority for each joint owner. (*Guidance Notes, Chapter 2.7 – 2.8*).
- [5] An Inland Revenue authority to pay rent with no tax deducted will specify the date it takes effect. Do not pay rent without deducting tax **before** that date.
- [6] You can pay rent without deducting tax **only** where the Inland Revenue has given you authority to do so. You must not pay gross on the instructions of anyone else – for example, the landlord. (*Guidance Notes, Chapter 4.3*).
- [7] Deduct tax at the basic rate (22% for 2000/01) from the rent, after first taking off any deductible expenses. (*Guidance Notes, Chapter 4.1*).
- [8] Calculate the tax at the time you **receive** the rent, not when you pay it to the landlord.
- [9] Pay the tax to the Inland Revenue's Accounts Office at Cumbernauld using a form NRLQ within **30 days of the end of the quarter** it relates to. The quarters end on 30 June, 30 September, 31 December and 31 March. (*Guidance Notes, Chapter 4.1*).
- [10] Shortly after 31 March each year the Accounts Office will send you an information return on form NRLY. You should complete this and send it back to the Accounts Office, making sure it reaches them by **5 July**. Remember, if you have deducted tax, the figure you show on your form NRLY must equal the total of the tax shown on the quarterly forms NRLQ you made during the year.
- [11] Where you have deducted tax from a landlord's rental income, you must give the landlord a tax deduction certificate relating to the year ended 31 March by the following **5 July**. You can use a form NRL6 for this. (*Guidance Notes, Chapter 5.9 to 5.12 & Appendix 4*). Remember, the tax you show on the your tax deduction

Useful telephone numbers

0151 472 6208/9

general advice and requests for forms

0151 472 6218

audit enquiries

01236 78 5118

payment enquiries

0115 974 2035

technical enquiries

A Letting Agent's Guide to the Non-resident Landlords Scheme

This guide highlights some of the main features of the NRL Scheme.

It is not intended as a substitute for the Inland Revenue's Guidance Notes for Letting Agents and Tenants

