

Tax Implications for Non Resident Land Owners

Shay O'Brien, *Tax Manager*

9th March 2017



Non-Resident Landlords – “The Rules”



- Must file an Irish Tax Return .
- Deduction of tax must occur if no “collection agent” .
- Form available to setup as “Collection Agent”.
- Onus on you to deduct 20% Tax where no Collection Agent in force.

Non-resident landlords

Black

No collection agent tax number provided means you must deduct 20% off gross rent and pay this to Revenue

White

Collection agent tax number provided means you can pay rent in normal manner

Non-resident landlords – What to do?

Action: No collection agent in force

- Send tax @ 20% to revenue
 - Complete form R185 and provide to client
- (form R185 available under tax articles on IPAV website)

Action: Collection agent in force

Get confirmation of collection agent tax number

Step 1

Putting a System in Place for New Clients

Step 1

Tax Checklist – New Clients

Verify if client is Irish Resident or non-resident. Put supporting documentation in the form of:

- Utility bill
- Copy of drivers licence or passport behind this checklist

Step 1

Collection Agent Option

- If not resident in the Republic of Ireland, please ensure that the “collection agent” form is completed and sent to Revenue Commissioners
- Obtain Revenue documentation of collection agent tax number and put on file

Step 1

Client does not want a Collection Agent

- Explain to client you must deduct tax at 20% from Gross Rent and pay to Revenue.
- Provide client with form R185 which show gross, tax, net and client will get a credit for tax deducted when they file tax return.

Step 2

Interacting with Existing Non-Resident Clients

Forms to be Returned by (give a deadline date to clients)

Option 1 – I wish for Collection Agent to be appointed

I enclose collection agent form and wish for a collection agent tax number to be applied for so I may receive rental income without deduction of Income Tax by your firm.



Option 2 – Instructions to deduct 20%

I do not wish to appoint a “collection agent” and accept therefore that your firm must deduct Income Tax at 20% and pay same to the Revenue Commissioners.



Option 3 – I confirm collection agent is in force

You must supply supporting documentation to confirm a collection agent has been appointed. Our firm will then submit same to the Revenue Commissioners to confirm if it is in order to pay rents without deduction of Income Tax.



Forms

1. Income Tax Registration form for Collection Agents acting on behalf of Non-Resident landlords (Form A)
2. R185 – Certificate of Tax deducted (Form B)

Form A

Form B

Income Tax Registration Form for Collection Agents acting on behalf of non-resident landlords

This form should be completed by the Collection Agent.
This form is only to be used to register a person, who is a collection agent for a non-resident landlord, for income tax.
Complete all parts of this form as required in BLOCK LETTERS, sign the declaration below and return it to your Revenue District Office.

A Landlord Details
Name of landlord
Address of landlord
PPS number of landlord

B Rental Property Details
Address of property in the State
Date letting commenced (dd/mm/yyyy)
Amount of rent paid per week ☐ per month ☐ or per year ☐ (tick frequency) €

C Collection Agent Details
Name of collection agent
Address of collection agent

D Adviser Details
Give the following details of the collection agent's accountant or adviser, if any, who will prepare the accounts and tax returns.
Name
Address
Phone: Area code Number Mobile Phone
Fax: Area code Number
Tax Adviser Identification Number

E Declaration
I declare that the particulars supplied by me in this application are true in every respect.
Signed
Date (dd/mm/yyyy)
Further information:
The following leaflets may be of benefit:
IT70 A Revenue Guide to Rental Income IT10 A Guide to Self-Assessment.
If you have further queries or concerns contact your Revenue District Office.

Certificate of Income Tax Deducted

This certificate should be completed by a person making a payment under deduction of tax. When completed it should be given to the person receiving the payment for submission to his or her Revenue office.

Details of Payer (person making the payment)
Name of Payer
Address
PPS No.
Telephone No.

Details of Payee (person receiving the payment)
Name of Payee
Address
PPS No. (if known)
Telephone No.

Details of Deed / Agreement
Type of Deed or Agreement: (tick ✓ as appropriate)
Deed of Covenant ☐ Annual Payment* ☐ Rent Agreement ☐ Other ☐
If you tick 'Other' give details
*e.g. yearly interest such as interest paid under Prompt Payment of Accounts Act 1997, deed of annuity.
Date Deed or Agreement was drawn up

Gross Amount	Tax Deducted**	Net Payment	Period covered by Payment or Date(s) Payment(s) made
€	€	€	

Declaration
I certify that the particulars above are true in every respect.
I further certify that I have deducted the amount of income tax shown and that this amount has been or will be accounted for by me to the Revenue Commissioners.
Signature Date
Capacity of signatory (if signing for a company, trust, partnership, etc.)

For official use only

Form R185

NOTES

- 4 year time limit**
A claim for tax relief must be made within 4 years after the end of the tax year to which the claim relates.
- Rents payable to Landlords living outside the state**
If your landlord resides outside the state and you pay rent directly to him or her or into his or her bank account either in the state or abroad, you must deduct tax at the standard rate of tax (currently 20%) from the gross rent payable, and this form must be completed and given to him or her.
- Accessibility**
If you are a person with a disability and require this form in an alternative format the Revenue Access Officer can be contacted at accessofficer@revenue.ie

Section of Tax Return – client shows tax deducted

215. Non-resident Landlord

If you and / or your spouse or civil partner are a non-resident landlord and your tenant has withheld tax from the rent, state:

(a) PPS number of tenant(s) (if known)


--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

(b) Amount of Irish tax withheld


--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

PAGE 11

FOR OFFICE USE ONLY ☐

 **Revenue**
Cúla agus Cústa na hÉireann
Irish Tax and Customs

Óig na gCisteirí leicail
Région Bréa Átha Cliath
Dúnair Othú Langhúe Ráth an Dúin
Teach Lárúil
Bóthar Lárúil



www.revenue.ie

Office of the Revenue Commissioners
Dublin Region
One Langhorne Park Road
Langhorne House
Langhorne Road
Dublin 6, Ireland

Notice of Registration: —Collector Appointed

Dear Sir/Madam,

Please note that the above named is registered for the following taxes:

	Registration Number	With effect from
<input type="checkbox"/> Income/Capital Gains Tax		
<input type="checkbox"/> Corporation Tax		
<input type="checkbox"/> PAYE/PRSI		
<input type="checkbox"/> Value Added Tax		
<input type="checkbox"/> Relevant Contracts Tax		
<input type="checkbox"/> Vehicle Registration Tax		

Please ensure that the above Registration Number(s) are quoted on all future correspondence with this office.

Please allow 48 hours for ROS access.

Yours faithfully

Problems

1. Clients could leave
2. You are exposed if you have not followed correct procedures
= Tax exposure → Income Tax + Interest + Penalties
3. Getting paperwork back from clients can prove difficult
4. Increased paperwork for you
5. Clients confused – “I don’t need to do a Tax Return to the Irish Revenue”
6. Little thanks!

Any Questions

