

Tax Implications for Non Resident Land Owners

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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

White

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

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

Action: 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)

Get confirmation of collection agent tax number



Putting a System in Place for New Clients



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



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



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.



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

- 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 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 **Adviser Details** Give the following details of the collection agent's accountant or adviser, if any, who will prepare the accounts Name Mobile Phone Fax: 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 gueries or concerns contact your Revenue District Office.

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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

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If your landford resides outside the state and you pay net directly to him or her or into his or her bank account either in the state or about, your must device that 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.

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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.le

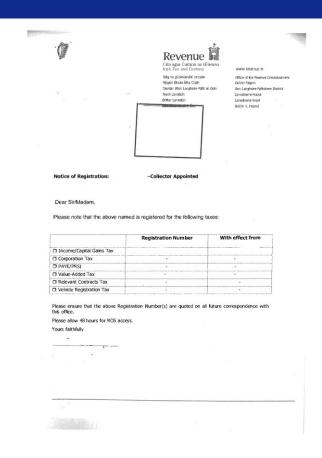
Revenue 📓 Cáin agus Custaim na hÉireann Irish Tax and Customs



Section of Tax Return – client shows tax deducted

If you and / or your spouse or civil partner are		
(a) PPS number of tenant(s) (if known)		
(b) Amount of Irish tax withheld	ا, الله ال	
	PAGE 11	FOR OFFICE USE ONLY







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

