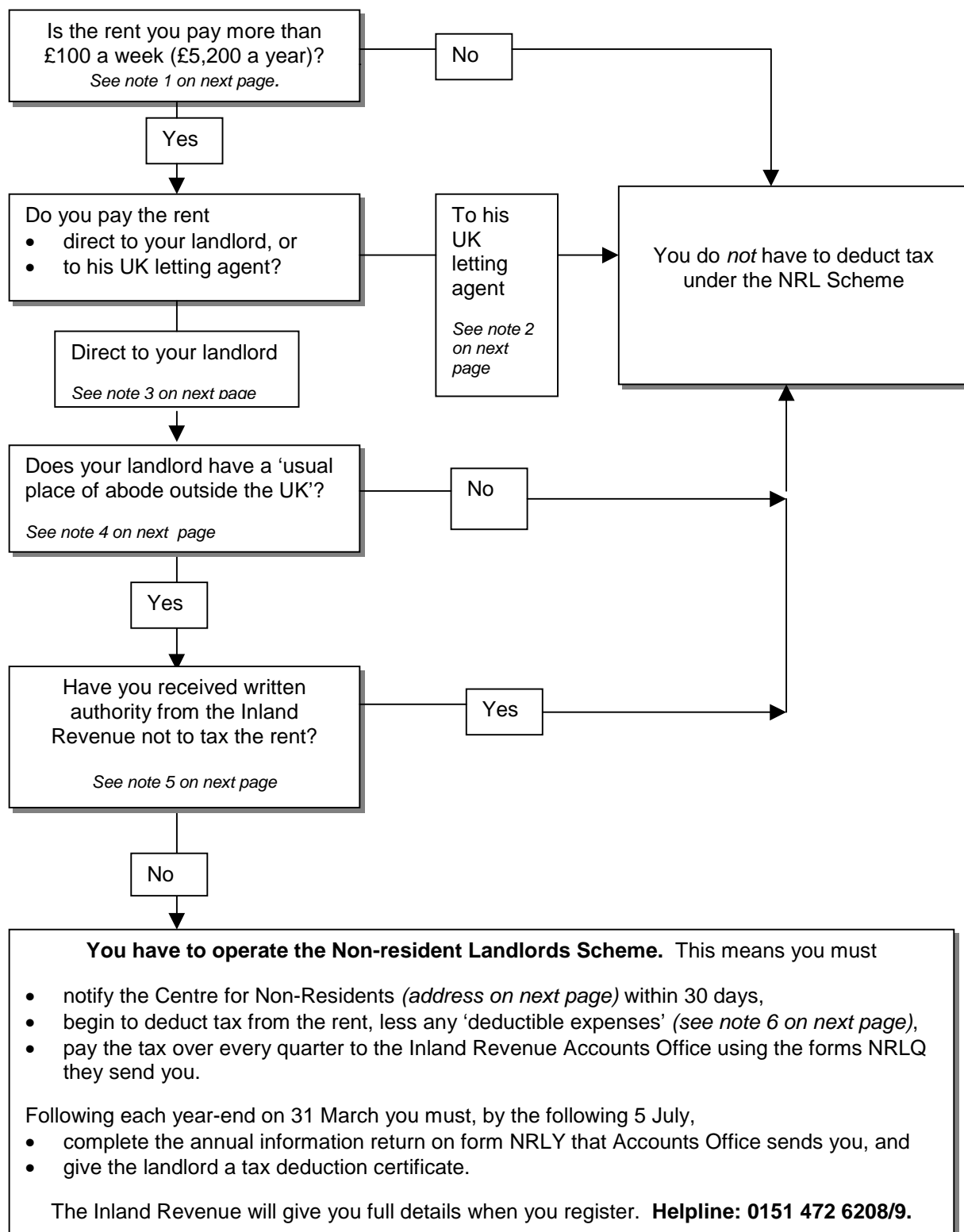


If your landlord lives abroad, you may have to deduct tax from the rent you pay. If you don't deduct tax when you should, you may have to pay the tax yourself. This guide tells you whether you are within the Non-resident Landlords (NRL) Scheme, and what to do if you are.



Notes for tenants

Please read all the notes

1. If your rent (or your share of the rent) is £100 a week or less you don't have to operate the NRL Scheme unless the Inland Revenue tells you to. But if you know that your landlord receives *over* £100 a week in rent – for example, because you share accommodation with others and the total rent paid is more than that – please contact the Centre for Non-Residents at the address below for advice.
2. If you pay rent to the landlord's letting agent in the UK you don't have to operate the NRL Scheme. The responsibility for doing so is the letting agent's. A letting agent can be a firm, or a friend or family member of the landlord. If you have any doubts, call the Centre for Non-Residents (details below) for guidance.
3. If you pay rent into the landlord's UK bank or building society account rather than to the landlord abroad, you are still regarded as paying the rent *direct* to the landlord.
4. Meaning of '*usual place of abode outside the UK*' -
 - **Individuals** have a usual place of abode outside the UK if they usually live outside the UK. But individuals are *not* regarded as having a usual place of abode outside the UK if they are living outside the UK only *temporarily* (say, for six months or less).
 - **Companies** that have their main office or other place of business outside the UK, and companies incorporated outside the UK, normally have a usual place of abode outside the UK. However, companies regarded as resident in the UK for tax purposes do not have a usual place of abode outside the UK for the purposes of the NRL Scheme, even though they may be incorporated outside the UK.
 - The UK branch of a non-resident company, where that branch is within the charge to Corporation Tax, does not have a usual place of abode outside the UK for the purposes of the NRL Scheme.
 - **Trustees** have a usual place of abode outside the UK if all the trustees have a usual place of abode outside the UK (following the rules for individuals and companies, as appropriate). If one or more of the trustees does not have a usual place of abode outside the UK, the trustees are not a non-resident landlord for the purposes of the NRL Scheme.
5. Written authorities not to tax rent are sent by **Public Department 1** or the **South Wales Area Office** in the case of landlords who are Crown Servants, and by the **Centre for Non-Residents** in all other cases. **Do not accept instructions from anyone else** – for example, the landlord or his representatives - to pay rent without tax. If you do, you may be liable to pay the tax you failed to deduct.
6. Deductible expenses are sums you pay away on the landlord's direction for such things as cleaning, gardening, and minor repairs that are not significant improvements to the property - for example, mending a broken window. More information is in Chapter 10 of the *Guidance Notes for Letting Agents and Tenants* produced by the Centre for Non-Residents.

If you have any questions or problems, please contact

**Inland Revenue, Centre for Non-Residents, Unit 362, St John's House, Merton Road,
BOOTLE, Merseyside L69 9BB.**

Telephone: **0151 472 6208/9** Fax: **0151 472 6067**