

FOCUS ON

## Vital information for non-resident landlords

Did you know...

Non-resident landlords who receive rental income from UK property must have tax deducted from this income unless they obtain HMRC approval in advance. A new online version of the relevant application form (NRL1i) is now available.

Applications must be made online as HMRC no longer accept paper versions of the form. This administrative point is often overlooked by individuals who leave the UK and who plan to rent out their main home during their absence, for example those who are assigned overseas to work for their employer. In these circumstances, the first step is to check whether you will be resident or non-resident during the period of absence.

Form NRL1i is for individual landlords of UK properties who normally live outside the UK. Companies should use form NRL2i and trustees should use form NRL3i. Further information can be found at <http://tinyurl.com/pxdj5z9>.

On the subject of rental properties, readers may already be aware that the 10% wear and tear allowance will no longer be available from April 2016. This allowance gives landlords the option of deducting a fixed amount equal to 10% of the rental income (broadly speaking) to cover general wear and tear instead of itemising actual expenses each year. From April 2016, landlords will have to keep a record of each item of expenditure in order to claim a deduction on their tax return. Anecdotally, many landlords are delaying expenditure until next year in order to maximise the deduction that can be claimed across the two tax years.

If you need advice on any of these issues, talk to one of our expatriate tax team or private client advisors.

### Contact us

For further information on international employments and business visitors, speak to your usual MHA MacIntyre Hudson tax contact.



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