

Use these Notes to help you complete form NRL1.

If you need assistance, please contact the Inland Revenue office that will deal with your completed form. For those whose main Inland Revenue office is **Public Department 1** or **South Wales Area** (for example, Crown Servants) it is your main Inland Revenue office. For all others it is the **Centre for Non-Residents**. *The addresses and telephone numbers are shown on the third page of form NRL1 under the heading 'Where to send this form'.*

General

Purpose of form NRL1

UK rental income is liable to UK tax whether the landlord lives in the UK or not, and normally a letting agent or tenant has to deduct tax when paying rent to any landlord whose usual place of abode is outside the UK. Form NRL1 enables an individual whose usual place of abode is outside the UK to apply to have his or her UK rental income paid *without* deduction of UK tax. **But our approval of the application does not mean that the rent is exempt from UK tax**, and we may later ask the individual to let us know whether they have any tax to pay by completing a UK Self Assessment Tax Return.

Exclusions

This form is for individuals only. If you are a company, use form **NRL2**. If you are a trustee, use form **NRL3**. You can get copies from the Inland Revenue internet site or by telephoning the Centre for Non-Residents on **0151 472 6208/9**.

Which individuals have a usual place of abode outside the UK?

Individuals have a usual place of abode outside the UK if they usually live abroad. Individuals who leave the UK for over 6 months also have a usual place of abode outside the UK, even though their absence may be temporary and their local UK Inland Revenue office continues to treat them as resident for other UK tax purposes following their departure.

What are the terms for applying?

You must satisfy one of the conditions set out in Notes 6, 7, and 8 overleaf.

When can you apply

You can apply immediately. You don't have to wait until you have let your UK property.

What if more than one person owns the property?

If the UK property is jointly owned (for example, by a husband and wife) then each owner must complete their own application form.

A partnership cannot usually make a claim on its own behalf in the way that a company does. This is because a partnership is not generally regarded as a resident for tax purposes of the country in which it is set up. In these cases each partner must claim separately for their share of the partnership income using form **NRL1**, **NRL2**, or **NRL3**, depending on whether the partner is an individual, a company or a trustee.

Confidentiality

All the information that you provide to the Inland Revenue is confidential. We can therefore discuss your tax affairs only with you or someone that you nominate - for example, a tax adviser.

If you need more space

If you don't have enough space on the form to answer a question fully, attach a separate sheet.

Guidance Notes on particular points

1. Address overseas (Questions 4 & 5). In box 4, please give your main *residential* address outside the UK. If you can only give a 'care of' address or a Post Office box number because that is the only form of address used in the country where you have your main residence, write that in box 5 and give a brief explanation in box 4.

- 2. Change in details (Question 8).** You can help us keep our records up to date by telling us of any changes to the name and address shown in answer to Question 8. The approvals we send to letting agents or tenants to pay rent gross are not transferable and if, for example, you appoint a new agent we will need to write to them to tell them not to tax your rent. You don't have to fill in another form NRL1.
- 3. Inland Revenue reference number (Question 9).** Letting agents (or tenants, where there is no letting agent) of overseas landlords have to register with the Inland Revenue. When they do, we give them a reference number. Ask your letting agent or tenant for this number and show it in the box on the form.
- 4. Date your rental business started (Question 10).** Please give the date on which your UK rental business started. This may not necessarily be the date on which you first began to receive UK rental income (for example, some tenancies begin with a rent-free period).
- 5. UK personal tax allowances (Question 15).** You are entitled to UK personal tax allowances if you satisfy one of the following conditions
- you are a Commonwealth citizen (**note** if you are a **Hong Kong citizen** you may claim to be a Commonwealth citizen as a British subject only if you are a British citizen, a British overseas citizen or a British national);
 - you are a citizen of a State within the European Economic Area, that is Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Irish Republic, Italy, Liechtenstein, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden and the UK;
 - you are or have been employed in the service of the British Crown;
 - you are employed in the service of any UK missionary society;
 - you are employed in the service of any State under the protection of Her Majesty;
 - you are resident in the Isle of Man or the Channel Islands;
 - you have previously resided within the UK, and are resident abroad for the sake of your health or the health of a member of your family living with you;
 - you are a widow whose late husband, or a widower whose late wife, was employed in the service of the British Crown;
 - you are a national of Bulgaria or Israel;
- you are a national who is also a resident of Argentina, Azerbaijan, Belarus, Bolivia, Bosnia-Herzegovina, China, Côte d'Ivoire (Ivory Coast), Croatia, Czech Republic, Egypt, Estonia, Hungary, Indonesia, Japan, Kazakhstan, Korea, Latvia, Macedonia, Montenegro, Morocco, Oman, Philippines, Poland, Romania, Russian Federation, Serbia, Slovak Republic, Slovenia, Sudan, Switzerland, Thailand, Tunisia, Turkey, Ukraine, Uzbekistan, Venezuela, Vietnam, Federal Republic of Yugoslavia;
 - you are a resident of Austria, Barbados, Belgium, Falkland Islands, Fiji, Finland, France, Germany, Greece, Irish Republic, Kenya, Luxembourg, Mauritius, Myanmar (Burma), Namibia, Netherlands, Norway, Portugal, Singapore, South Africa, Swaziland, Sweden and Zambia. (Note: unless you are a resident of Fiji, Greece, Irish Republic, Myanmar (Burma), Namibia or Singapore, you are *not* entitled to UK personal tax allowances under this category if your income consists solely of **dividends, interest** and/or **royalties** from the UK.)
- 6. Letting agent or tenant has been deducting tax (Question 20).** If the person who has been deducting tax is the person whose details you have given in reply to Question 9, simply write 'See Q9'.
- 7. Declaration.** If you believe that you are entitled to tick more than one of the boxes, please choose only one. If you do not tick any of the boxes the form will be returned to you for completion.
- 8. Your UK tax affairs are up to date (Declaration).** Tick this box if you have complied with all your UK tax obligations by sending in all the Tax Returns issued to you (except those for which the filing date has not yet passed) and paying all the tax due.
- 9. You have not had any UK tax obligations before the date of this application (Declaration).** Tick this box if you have never had any income from property or other sources in the UK.
- 10. You do not expect to be liable to UK income tax for this tax year (Declaration).** Even if you are not resident in the UK you can still be liable to tax on income that arises in the UK. But if you do not expect to have any liability for UK tax for the tax year (ending 5 April) in which you make this application - for example, because you expect your allowable expenses to be more than your rental income - tick this box.
- 11. You undertake to comply fully with your UK tax obligations (Declaration).** Part of your obligation will be to
- complete any Self Assessment Tax Return we send you
 - pay any tax on time

- answer questions relevant to your UK tax affairs.

If you fail to meet your undertakings we will withdraw our approval for you to receive your rent without tax.

12. Signing the form (*Declaration*). The non-resident landlord must sign the form personally. We cannot accept a form signed by an agent or nominee. If the landlord is mentally or physically unable to sign the form, it must be signed by the person who has been appointed to look after their affairs - for example, someone holding a Power of Attorney.

Inland Revenue Data Protection Act Statement

The Inland Revenue is a Data Controller under the Data Protection Act. We hold information for the purposes specified in our notification to the Data Protection Commissioner, and may use this information for any of them.

We may get information about you from others or we may give information to them. If we do, it will only be as the law permits to

- check the accuracy of information,
- prevent or detect crime, or
- protect public funds.

We may check information we receive about you with what is already in our records. This can include information provided by you, as well as by others such as other government departments and agencies and overseas tax authorities. We will not give information about you to anyone outside the Inland Revenue unless the law permits us to do so.

These notes are for guidance only and reflect the UK tax position at the time of writing. They do not affect any rights of appeal.