



Non-Resident Landlords

Changes from 1 July 2023



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Changes for Non-Resident Landlords

The Revenue Commissioners have recently started writing to non-resident landlords to provide some initial information about the Non-Resident Landlord Withholding Tax (NLWT) System which is expected to come into force from 1 July 2023.

What is the current position for non-resident landlords?

A non-resident landlord has a choice to either –

a. Instruct their tenant to withhold tax on the payment of rent

Where rents are paid directly to a non-resident landlord, the tenant is obliged to deduct tax at the standard rate of income tax (currently 20%) from the payment. That means 80% of the rent is paid to the non-resident landlord and 20% is paid to the Revenue Commissioners when the tenant files a tax return for the year in question. The tenant then provides the landlord a Form R185 confirming the amount of tax that was deducted so the landlord can then claim a credit for same when filing their own return.

b. Appoint a Collection Agent

A non-resident landlord may appoint a Collection Agent to act on their behalf. The Collection Agent must be resident in Ireland and register with the Revenue Commissioners. An agent is typically someone the landlord trusts, such as a friend or a relative, or it is more commonly a professional, such as a property manager or letting agent.

Once a Collection Agent has been appointed, the tenant can pay 100% of the rent to the agent without any withholding and the Collection Agent is then responsible for paying the tax due on the rental income on submission of an annual tax return.

What is changing from 1 July 2023?

Section 92 of the Finance Act 2022 provides for the following changes –

- Collection Agents and Tenants may deduct withholding tax at the standard rate of income tax from rent payments to non-resident landlords and remit same to Revenue through a new Non-Resident Landlord Withholding Tax (NLWT) System, which will be available on MyAccount and ROS.

- A Rental Notification (RN), together with the payment of the tax withheld, will need to be submitted within 21 days of paying the rent to the non-resident landlord. This should provide non-resident landlords with greater visibility of all payments received and taxes deducted on a real-time basis.
- Tenants or Collections Agents will also be required to submit additional information to Revenue through the NLWT System to ensure that the withholding tax paid is correctly credited to the landlord. The additional information will include –
 - The name, address and tax number of the non-resident landlord;
 - The address (including the Eircode) of the property that is let;
 - The Local Property Tax Identifier of the property;
 - The date the payment is due to the non-resident landlord;
 - The gross amount of the payment due in respect of the property;
 - The amount of tax withheld from the payment.
- Where tax is withheld and reported through the NLWT System, Collection Agents and Tenants will no longer be obliged to file an annual tax return as the non-resident landlord will be responsible for the filing of their own annual tax return, a Form 11 for individuals or a Form CT1 for corporates.

Please note that whilst these changes remain subject to Ministerial Approval, Revenue have committed to providing additional information and guidance on the NLWT System via their [NLWT Information Portal](#) in the coming weeks.

Should these changes affect you, our experienced tax team will be happy to share our insights with you - [Merry Mullen - Chartered Accountants & Tax Advisors](#)



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