



Income Tax Act 2007

2007 CHAPTER 3

PART 15

DEDUCTION OF INCOME TAX AT SOURCE

CHAPTER 18

OTHER REGIMES INVOLVING THE DEDUCTION OF INCOME TAX AT SOURCE

Non-resident landlords

971 Income tax due in respect of income of non-resident landlords

- (1) The Commissioners for Her Majesty's Revenue and Customs may by regulations make provision for—
 - (a) the collection, from non-resident landlord representatives of a prescribed description, of prescribed amounts of income tax in respect of non-resident landlord income, and
 - (b) the assessment and recovery of the income tax on or from such persons.
- (2) “Non-resident landlord income” means income of a person whose usual place of abode is outside the United Kingdom (“the non-resident”) and which is or may become chargeable—
 - (a) under Schedule A, or
 - (b) as the profits of a UK property business under Chapter 3 of Part 3 of ITTOIA 2005.
- (3) “Non-resident landlord representative” means—
 - (a) a person by whom any sums are payable to the non-resident which are to be treated as receipts of a Schedule A business, or a UK property business, carried on by the non-resident, or

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- (b) a person who acts on behalf of the non-resident in connection with the management or administration of any such business.
- (4) A non-resident landlord representative who must pay prescribed amounts of income tax to the Commissioners for Her Majesty's Revenue and Customs under regulations under this section is entitled—
- (a) to be indemnified by the non-resident for all such payments, and
 - (b) to retain out of any sums otherwise due from the representative to the non-resident, or received by the representative on behalf of the non-resident, sums representing income tax sufficient for meeting any liabilities under the regulations to make such payments.
- (5) Subsection (4)(b) applies whether the liability is one which the representative has discharged or to which the representative is subject.

972 Regulations under section 971

- (1) Regulations under section 971 may, in particular, include all or any of the following provisions—
- (a) provision for the amount of any income tax in respect of non-resident landlord income, which is to be paid to the Commissioners for Her Majesty's Revenue and Customs, to be calculated by reference to prescribed factors,
 - (b) provision for the determination in accordance with the regulations of the period for which, the circumstances in which and the times at which any payments are to be made to the Commissioners,
 - (c) provision for requiring the payment of interest on amounts which are not paid to the Commissioners at the times required under the regulations,
 - (d) provision as to the certificates to be given in prescribed circumstances to the non-resident by a non-resident landlord representative, and as to the particulars to be included in any such certificate,
 - (e) provision for the making of repayments of income tax to the non-resident and for such repayments to be made in prescribed cases to non-resident landlord representatives,
 - (f) provision for the payment of interest by the Commissioners on sums repaid under the regulations,
 - (g) provision for the rights and obligations arising under the regulations to depend on the giving of such notices and the making of such claims and determinations as may be prescribed,
 - (h) provision for the making and determination of applications for requirements of the regulations not to apply in certain cases, and for the variation or revocation, in prescribed cases, of the determinations made on such applications,
 - (i) provision for appeals with respect to questions arising under the regulations,
 - (j) provision requiring non-resident landlord representatives within section 971(3)(b) who are of a prescribed description to register with the Commissioners,
 - (k) provision requiring persons registered with the Commissioners and other non-resident landlord representatives of a prescribed description to make returns and supply prescribed information to the Commissioners and to make available prescribed books, documents and other records for inspection on behalf of the Commissioners,

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- (l) provision for the partnership, as such, to be treated as the non-resident landlord representative if a liability to make a payment under the regulations arises from amounts payable or things done in the course of a business carried on by persons in partnership, and
 - (m) provision which, in relation to payments of income tax to be made by virtue of section 971 or to sums retained in respect of such payments, applies (with or without modifications) any enactment or subordinate legislation having effect apart from section 971 with respect to cases in which tax is or is treated as deducted from any income.
- (2) Interest required to be paid by regulations under section 971 is to be paid without deduction of a sum representing income tax and is not to be taken into account in calculating any income, profits or losses for any tax purposes.
- (3) Regulations under section 971 may—
- (a) make different provision for different cases, and
 - (b) contain incidental, supplemental, consequential and transitional provision and savings.
- (4) Provision made by virtue of subsection (3)(b) may, in particular, in connection with any other provision made by regulations under section 971, modify the operation in any case of section 59A of TMA 1970 (payments on account of income tax).
- (5) In this section and section 971 “prescribed” means prescribed by, or determined by an officer of Revenue and Customs in accordance with, regulations made by the Commissioners for Her Majesty's Revenue and Customs under section 971.
- (6) See section 121(2)(c) of FA 2006 which prevents certain distributions of Real Estate Investment Trusts being non-resident landlord income for the purposes of regulations under section 971.

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