

Non Resident Landlords

Withholding Tax system to be introduced effective the 1st July 2023

12th June 2023

Introduction

Revenue are to introduce a new Non-Resident Landlord Withholding Tax (NLWT) System on the 1st July. Under the new system tenants or collection agents acting for a non-resident landlord will have to withhold 20% tax from the rent and submit an online Rental Notification (RN) to Revenue together with payment of the tax withheld.

A non-resident landlord is someone who is not resident in Ireland, but rents out a property in Ireland.

Position to 30th June 2023

Where rent or other payments related to a lease are made directly to persons not resident in Ireland the person making the payment is required to deduct income tax at the 20% rate and pay that amount to Revenue.

However the deduction of tax by the tenant can be avoided where the non-resident landlord appointed a collection agent to act on their behalf, e.g. an estate agent or a relative of the landlord. The collection agent is obliged to file a tax return and account for the 20% tax on the rental income of the non-resident landlord.

Under the current system most tenants were not aware of their responsibility to deduct tax from the rent and pay it over to Revenue.

Position from 1st July

The tenants or collection agent will have to withhold 20% tax from the rent and submit an online Rental Notification (RN) to Revenue together with payment of the tax withheld.

The tenant or a collection agent can access the NLWT system from the 24th June via the [Revenue Online Service \(ROS\)](#) or via [myAccount](#) to file the RN's and pay the tax withheld.

Where the rent is paid directly to the landlord by a tenant the RN's should be filed no more than 7 days after the rent payment has been made and the tax deducted.

Where the rent is paid via a collection agent the RN should be filed on or before the 1st day of the month following the month in which the rent was collected.

To facilitate the filing of the RN's the non-resident landlord should provide the Local Property Tax ID, if it is a residential property, and their PPS No to the tenant or collection agent.

The collection agent should file a 2023 tax return for the rent collected in the period 1st January to 30th June. A tax return will no longer be required to report rent received after the 1st July provided the collection agent complies with the new NLWT system.

The landlord will receive a credit for the tax that has been withheld by the tenant or collection agent when filing the income tax return.

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