Tax Retention for non-resident landlords Ireland

July 2023
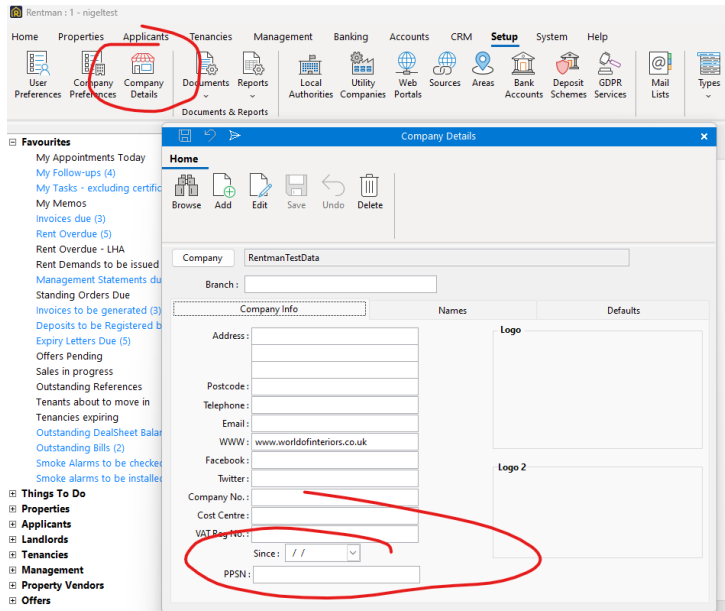
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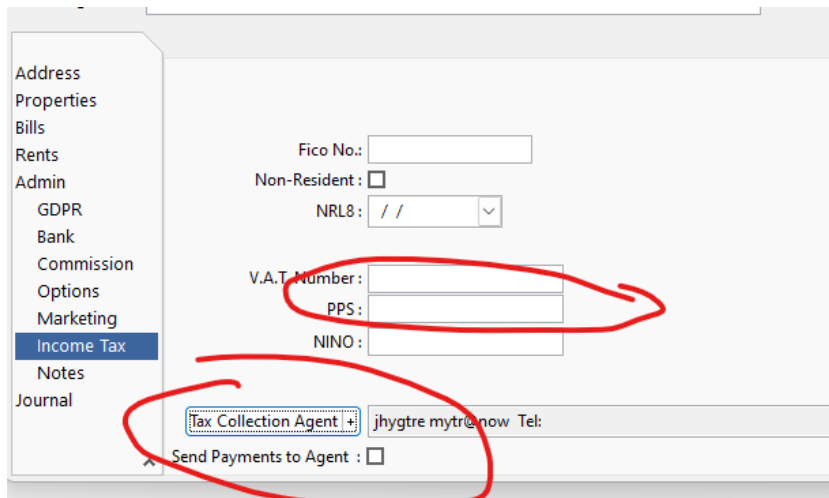# Information to be entered into Rentman

Your Company PPSN

On the company details screen (under Setup in the main desktop ribbon) enter your PPS number.

Landlord's PPS Number

On the landlord's screen (Income Tax tab). Tick non-resident checkbox if they are indeed non-resident.

Landlord's Tax Collection agent.

If the landlord has nominated someone else as their tax collection agent…. enter them on the landlord's Income Tax Tab. If this is empty you are the tax-collection agent and Rentman will include this landlord in the file to be uploaded to Revenue.

You can enter a new person by clicking the + sign on the button… or select an existing person by clicking elsewhere on the button. The person is saved as a Contact in Rentman where you can enter their bank details.

You can optionally have Rentman send payments to this person by ticking that 'Send Payments…' checkbox ; Rentman will change the "Payment to landlord" transaction to use this person's Bank details on the BACS screen and in Open Banking.

You might want to add the collection agent's email address as an 'Addition Email' on the building's Admin tab. Then they will be sent copies of the management statement showing the payments to the landlord.

The Tax retention Rate

Still on the company preferences screen. Make sure 'Net' is unticked as you have to report and retain on <u>gross</u> income.

A New Bank Account.

Revenue will want to direct debit the tax retained amount from your bank account. You may not want to give them access to your regular client account so instead setup a new bank account for this purpose.

Add the bank details into Rentman (Setup/Bank Accounts) and tick the Tax-Account checkbox.

Rentman will transfer the tax retained to this account (using BACS screen or Open-Banking). If you don't setup such an account Rentman will not generate the bank transfers.

Setup each Non-Resident Landlord and their Buildings

3 options

1. If the landlord has nominated a tax-collection agent but still wants you to send the full payment direct to the landlord
   - Set Tax Collection agent on landlord screen
   - UnTick Retain Tax on Building screen.
   - Add collection-agent's email as additional email on the building's Admin tab and they will be sent a copy of the management statement.

2. If the Landlord has nominated a tax-collection agent and wants you to send the full payment to that person
   - Set Tax Collection agent on landlord screen
   - Ensure you have entered their bank details
   - Tick 'Send payments to Agent'
   - UnTick Retain Tax on Building screen.
   - Add collection-agent's email as additional email on the building's Admin tab and they will be sent a copy of the management statement.

3. If the Landlord has NOT nominated a tax-collection agent
   - Tick 'Retain Tax' on Building's options tab – this ensures that Rentman will deduct the tax to be retained from the landlord's payment.

4. It is <u>not</u> anticipated that you will want to split the payments with just the 20% retained sent to the tax collection agent.

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  Certificates
  Notes
Bills
Tenant Charges
Income Tax
History
Journal

Property Manager :

Listed Building :

Split Payment :

IBAN :
Bank SortCode :
Bank A/C Name :
BACS Ref :
Specific VAT No :
Additional email :

Full Address...
36 Broadway East
Paris

N3L XYZ

Last Statement : 21/06/2023
Last Balance : 0.
Tax Withheld : 0.

Workflow

With everyone setup as above… simply generate your Management Statement with commission invoice and payment to landlord in the usual way.

If the payment is going to the tax collection agent Rentman will use that contact's banks details in the BACS screen and in Open Banking.

- On the first of each month go to the Accounts tab of the main Rentman ribbon and click on "Non-Resident Return"

    o You will see a grid showing the properties of all non-resident landlords with their gross income and tax to be retained for the period. Multiple landlords on a property have separate entries with the gross income and tax split between them.
    o Click 'File' button to create the CSV upload file. Those landlords with a nominated tax-collection agent will NOT be included
    o Click 'Pay' to generate tax payment transactions (for BACS screen or Open-Banking to transfer to the Tax Account created above). Those landlords with a nominated tax-collection agent will NOT be included

- The Non-resident Return" screen defaults to 'Last month' but can be used to reprint gross income and tax retained for previous periods
- Because the tax account is in Rentman as a bank account you use the Bank Ledger and Bank Reconciliation screens to review and manage it as you would the client account.