01 / LEAVING THE UK WITH A RENTAL

Moving abroad does not take UK rent out of UK tax.

The rent-payment rules and your personal tax-residence status are separate checks.

What is the Non-resident Landlord Scheme?

The **NRLS** is a way of collecting tax on UK rental income where the landlord's usual place of abode is abroad. HMRC flags living abroad for six months or more, even if you remain UK resident for tax purposes.

Without HMRC authority to pay gross, a letting agent normally deducts tax from the rent. An agent operates the scheme regardless of the rent amount.

Where rent is paid direct without an agent, a tenant normally has to operate it if rent is **more than £100 a week**. At £100 or less, HMRC can still direct the tenant to do so.

A UK friend or relative collecting/controlling rent may count as a letting agent. Do not assume an informal collection arrangement avoids the scheme.

RECEIVING RENT GROSS

An individual can apply using **NRL1**. If HMRC approves, the agent or tenant can pay without deducting tax from the authorised date.

That is **not an exemption from tax**.

Give your agent the actual HMRC approval, not just a copy of your application. Continue the correct deductions until authorised otherwise.

Keep SBX and the agent informed of your overseas address, departure/return dates and each owner's share.

This guide is for individuals owning ordinary UK rental property. Companies, trusts, holiday accommodation and changes of ownership need separate treatment.

CHECK THE RULES · UK rent while living abroad · Who must use NRLS · Agents, tenants and deductions · Apply for gross UK rent: NRL1

02 / WHAT REACHES YOUR BANK?

Tax deducted from rent is normally a payment towards your bill.

Keep the gross rent, costs and tax deduction visible in the records.

One quarter: no gross-payment approval

Illustrative 2026/27 quarter	Amount
Rent received by the agent	£3,000
Deductible repairs paid by the agent	(£400)
Deductible agent fee paid	(£300)
Amount used for this deduction	**£2,300**
Tax withheld at 20%	(£460)
Cash sent to the landlord	**£1,840**

Assumes these are allowable expenses paid in the quarter, with no other adjustments. The example is not the complete annual rental-profit or final Income Tax calculation.

Where did the £460 go?

The agent pays it to HMRC on your behalf. Keep the annual **NRL6 tax certificate** and statements so SBX can claim the credit correctly.

For the scheme calculation, an agent cannot simply deduct costs you paid elsewhere or your Personal Allowance. The full annual tax computation can be different.

SAME FACTS, HMRC APPROVAL IN PLACE

The agent could pay £2,300 after the £700 costs instead of £1,840. Keep a tax reserve: the extra £460 cash is not automatically yours to spend.

Mortgage capital repayments are not a tax deduction. For individual residential landlords, finance-cost relief is also subject to separate rules.

CHECK THE RULES · Agents, tenants and deductions · UK rent while living abroad · Rental income and expenses

03 / YOUR RETURN, ALLOWANCES AND MTD

An agent’s deduction does not normally replace your tax return.

Look at the UK position and your new country’s tax rules together.

Your annual UK tax position

Declare the rental income and relevant expenses unless HMRC tells you a return is not needed. Include tax already deducted; it may reduce the balance due or lead to a refund.

A non-resident is not automatically entitled to a UK Personal Allowance. Nationality and treaty conditions matter. Give SBX the facts rather than assuming the usual allowance applies.

Where residence pages are needed, the standard HMRC online Self Assessment service is not suitable. Use appropriate commercial software or the correct paper route; paper deadlines are earlier.

Another country may tax the rent too

Your residence country may require it on its return. Double-tax relief may help, subject to the treaty and eligible tax on the same income. Keep UK tax computations and payment evidence.

MTD is not ruled out by living abroad

Making Tax Digital for Income Tax can apply to qualifying UK property income. It concerns digital records, quarterly updates and the year-end return, not four final tax bills.

CHECK THE PHASE AND EXEMPTION

For 2026/27, including residence pages (SA109) in the **2024/25** return gives an automatic temporary exemption. Other cases may need an application.

From April 2027, the normal threshold is **more than £30,000** of relevant 2025/26 income. Check the then-applicable exemptions and which UK trading/rental income counts.

Do not treat the temporary 2026/27 exemption as permanent. Send SBX earlier returns and details of all relevant income sources.

CHECK THE RULES · UK rent while living abroad · Personal Allowance for non-residents · Taxed in two countries · MTD start dates · MTD exemptions

04 / BEFORE LEAVING OR SELLING

Put the agent, HMRC and SBX on the same information.

One short checklist now can prevent missed deductions or reporting later.

Before departure / first letting

Tell SBX and your agent the owner names, shares, overseas contact address, expected departure dates and who will collect the rent.

Check NRL1 approval, existing tax-return obligations and the tax position in your new country.

Keep a record of rent, agent fees, repairs, insurance, finance costs and tax withheld. Identify capital improvements separately.

Before a sale or gift

Non-residents generally need to report disposals of UK land/property within **60 days of completion**, even if there is no tax to pay. A payment may also be due within that period.

Give SBX acquisition costs, improvement records, ownership dates, periods lived in the property and any previous valuations before completion.

WHEN YOU RETURN

Tell HMRC, the agent and SBX. Recheck the rental-payment arrangements, residence position and future reporting instead of assuming they update themselves.

Property / your share	Agent or tenant contact	HMRC gross-payment approval	Tax deducted / records supplied
[enter]	[enter]	[reference and date, or pending]	[enter]

Download a copy to complete. Send completed records through your private SBX channel, not the shared client library. Worksheets use manual entries and totals.

Contact our office or your account manager. info@sbxaccountants.com | 020 7046 1730

CHECK THE RULES · Apply for gross UK rent: NRL1 · Agents, tenants and deductions · Non-resident UK property gains · Returning to the UK