HMRC - RDRM32220 - Counting Years Of UK Residence (Seven Out Of Nine) - ITA07/S809

Long-term UK residents aged 18 and over whom claim the remittance basis under ITA07/s809B may be liable to the £30,000 remittance basis charge (RBC). For these purposes, a ‘long-term resident’ is an individual who has been resident in the UK in at least seven out of the previous nine tax years.

There are certain exceptions whereby long-term residents may use the remittance basis without paying the RBC (refer to RDRM32100 Exceptions to the claim requirements).

Years of arrival and departure count as a year of UK residence for these purposes, even if split year concessionary treatment was claimed and given (refer to RDRM32120 Interaction with ESC A11). Also counted are years in which the individual is dual resident, regardless of where any Double Taxation Agreement may hold them as treaty resident.

Most long-term UK Residents will also be Ordinarily Resident in the UK, so most, although not necessarily all, individuals who pay the remittance basis charge will use the remittance basis on account of their non-dom status. Cases involving individuals who are UK-domiciled but claim to be NOR and who pay the remittance basis charge should be referred to Specialist Personal Tax, PTI Advisory for a review of their NOR status claim.

Example

Dominic, a non-dom, is resident in the UK for the tax year 2008-2009.

Dominic came to the UK in May 1999 (99-00 tax year)

He left to live in Spain in January 2001 (00-01 tax year)

He returned to the UK on 12 October 2002 (02-03 tax year)

He left to work in the Republic of Ireland on 29 April 2004 (04-05 tax year)

He then returned to the UK on 16 May 2006 (06-07 tax year) and has been resident here since.

Dominic is resident in the UK for the current tax year (08-09). He has chargeable overseas earnings of £150,000 in that year, paid into his Spanish bank account and he does not remit anything. For the last nine tax years he has been resident/not resident as follows:

Dominic is a long term resident; if he claims the remittance basis in 2008-2009 he will be liable for the remittance basis charge.

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