HMRC - RDRM32230 - Counting Years Of UK Residence - Minors

The remittance basis charge is only payable by long-term residents aged 18 of over.

However tax years in which the individual is under 18 are counted in determining years of residence for the ‘seven out of nine’ rule.

Example

Pranav was born on 23 October 1991. He came to the UK as a school boarder in August 2001 (tax year 01-02). He is domiciled outside the UK. He has stayed in education in the UK for every tax year since.

In 08-09 Pranav has foreign income of £300,000 and he claims to use the remittance basis in that year. He is a long-term resident in the UK as he has been UK resident for eight years, but as he is under 18 he may use the remittance basis in 08-09 without paying the remittance basis charge.

In October 2009 (tax year 2009-10) Pranav turns 18. He has foreign income of £400,000. If he wishes to claim the remittance basis for that tax year he will be liable to the remittance basis charge.

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