

Tax Rebate on Private Residential Leases

Factsheet

Private Residential Leases (Tax Rebate)

The Government will be granting a rebate in the form of a deduction from the 15% final withholding tax (FWT) attributable to private residential property as per Legal Notice 258 of 2020 issued on 23rd June 2020, for income derived on or after 1st January 2020.

Conditions to be satisfied

- Income derived from a private residential lease with a duration of 2 years or more that is registered with the Authority as a long private lease, in accordance with the Private Residential Leases Act.
- Duration of the lease shall be ascertained by reference to the original period as agreed in the contract and no regard shall be taken of any renewal or extension of the original period.
- The rebate for any year in respect of a lease cannot exceed the 15% tax on the rent derived in that year from the lease.

Rebate amount

The rebate amount will be dependent on the duration of the lease and the number of bedrooms of the leased premises, as stated in the contract as provided in the following table;

Duration of the lease	Number of bedrooms	Tax rebate
At least two years but less than three years	One	€200
	Two	€300
	Three or more	€400
Three years or more	One	€300
	Two	€400
	Three or more	€500

Scenario including Tax Computation

A landlord leases a private residential property for 2 years, with the respective contract registered with the authority as a long private lease. The contract states that the premises accommodate for x2 bedrooms and the total income attributable from such lease amounts to € 12,000 per annum.

Tax Computation

Total income from leased premises	€ 12,000
Tax at 15% FWT	€ 1,800
Tax rebate	€ 300
Tax due	<u>€ 1,500</u>

For the year of commencement and the year of termination, the eligible rebate will be reduced *pro rata* to the number of days for which the lease is in force for that year.

Submission of form and payment of tax shall be made by not later than the 30th April of the year following the relevant year.

For more information on the above measure, contact us by email on info@ncmb.eu or by telephone on +356 2133 0721 / +356 2133 8519, to assist you and guide you accordingly.

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