

HOW TO COMPLETE A 2010 NR6

(Deadline December 31st, 2009 or on date of rental)

Section 1:

- Enter the Tax year at the top of the form
- Enter the Clients name and overseas address

Section 2:

- Enter the rental property address
- Enter the total estimated expenses (mortgage interest, property taxes, insurance, maintenance and repairs, management fees, condo fees, etc.)
- If net income is higher than expenses, inflate certain expenses to reduce estimated taxes owing. Please include accounting fees.
- Enter net income (Gross rent less estimated expenses, preferably these should be at a loss)
- Attach the Expatriate Group Rental Information Sheet with summary of income and expenses and scan/fax copy to Tax@expat.ca. Note on copy of the NR6 if it is filed by your agent/company and note agent/company's Repld #.
- The rental info sheet needs to be filed with NR6.

Section 3:

- Client's signature and date

Section 4:

- Agent's/Company Signature.
- Agent's/Companies Name (c/o The Expatriate Group Inc., if we filed your NR6).
- NR account number (if this is the first time you are filing leave it blank a number will be assigned to you by CRA.
- Date 1st rental payment is due (usually January 1st, but may be different if you leave part way through the year then please prorate estimated expenses).
- **Note:** A tenant that is renting from you can not be your Agent.

File the NR6 through Agent/Company or The Expatriate Group on the first date of rental or before December 31st. There is a list of professional Rental Agents on our website www.expat.ca go to the Links on the left hand-side of the page and click on relocation.

Note: 25% of Net Income should be paid monthly by Agent/Company. For small amounts but we advise paying annually in advance to Receiver General. If we file, please include cheque and mail to The Expatriate Group. Please scan/fax completed NR6 2010 and Rental Information Sheet 2010 including receipts to our office before December 8th, 2010.

Late Filing: If an NR6 is not filed by agent 25% of gross rent needs to be remitted to CRA monthly. If 3 months late – filed in March, we need a cheque payable to Receiver General 25% of gross rent for 4 months to attach to NR6, plus a second cheque for 25% net income for remaining 8 months. If nil income for 8 months, then we do not require a second cheque.

If purchased as rental, then we advise splitting income and expenses for each spouse/partner to reduce future taxes on sale.

Rental NR6 2010 P2



Canada Revenue Agency / Agence du revenu du Canada

UNDERTAKING TO FILE AN INCOME TAX RETURN BY A NON-RESIDENT RECEIVING RENT FROM REAL PROPERTY OR RECEIVING A TIMBER ROYALTY for tax year _____

Before completing this form, please read the instructions on the back.

Section 1 - Non-resident identification

Last name of, if applicable, complete name of the corporation, trust, or estate		First name	Social insurance number of Canadian individual tax number
Address (street number and name)		Date of birth	
City	Country	Postal or zip code	
Area code and telephone number ()		Fiscal year end for corporation, trust, or estate	
Mailing address if different than above		Do not write in this area	
C.O.			
Street number and name			
City	Country	Postal or zip code	

Section 2 - Rental property information

Addresses of all rental properties (list additional properties on a separate sheet)	Gross rents	Total expenses*	Net income
Address City Province Postal code			
Address City Province Postal code			
Address City Province Postal code			
* Provide a breakdown of expenses for each property on a separate sheet (see Section 2 on the back)			
Total			

Section 3 - Undertaking by non-resident

I, the undersigned, undertake to file an income tax return under subsection 210(4) of the Canadian Income Tax Act for the tax year indicated above, within six months of the tax year, to include all rents from my real property and timber royalties, and to pay any additional tax owing. If I do not fulfil these obligations, I will have to pay to the Receiver General for Canada, the full amount of tax that I would otherwise have been required to remit in the year, as well as applicable interest charges.

Non-resident's signature

Name of representative* (please print)

Date

* If you sign for the non-resident, print your name on this line and provide a copy of the power of attorney document.

Section 4 - Canadian agent* identification

Name (individual or company)	Non-resident tax account number N R
Address (street number and name)	Date the first rental payment is due
City Province Postal code	Year Month
Area code and telephone number ()	
* For purposes of this form, the "agent" must be a resident of Canada to whom the rental payments are paid or credited on behalf of the non-resident when this form is signed.	
I, the undersigned, declare that I am the Canadian agent of the non-resident indicated in Section 1. If the non-resident does not file an income tax return or pay tax according to the undertaking, I understand that I will have to pay to the Receiver General for Canada the full amount of tax that would otherwise have been required to be remitted for the year, as well as applicable penalty and interest charges.	
_____ Agent's signature	_____ Name of individual signing on the agent's behalf (please print)
_____ Date	

NR6 E (C0)

(Ce formulaire existe en français)

Canada

Please file to CRA on first rental date and first day of each year.

Please note tax year at top i.e. 2009. NR6 instructions P4 over.

Both you and your agent need to sign and file to CRA to get ID n. (copy to Expat)

Filing deadline for NR4 Rental Income is 3/31/10 (NR4 is similar to T-4 slip).

General

- Use this form if you are a non-resident receiving rent from real property or a timber royalty and you want your agent to be able to elect to deduct and remit tax at the applicable rate on the net amounts available to you. Your agent must be a resident of Canada to whom the rental payments are paid or credited on your behalf when this form is signed.
- File a separate form for each tax year. For individuals, the tax year corresponds to the calendar year (January 1 to December 31). For corporations, estates, and trusts, the tax year can differ from the calendar year; therefore, for these entities, indicate the fiscal year end.
- File this form on or before the first day of each tax year, or when the first rental payment is due.
- Complete all applicable sections on this form. An incomplete form will not be accepted as a valid undertaking and will be returned.
- The non-resident individual, corporation, trust, estate, or member of a partnership should forward one completed copy of this form to the Canadian agent who, after completing Section 4, will file it with the International Tax Services Office, 2204 Walkley Road, Ottawa ON K1A 1A8.
- We will advise both the non-resident and the agent in writing when a valid undertaking is approved.
- Your agent must continue to withhold and remit non-resident tax based on the gross rental income until we approve a valid undertaking in writing. If a valid NR6 is approved, the non-resident withholding tax must be determined when the actual rental payment is made taking into account expenses (excluding CCA). We must receive any non-resident tax withheld by the 15th day of the month following the month during which the rental payment was paid or credited to the agent on the non-resident's behalf.
- The non-resident undertakes to file an income tax return, whether there is a profit or a loss situation, under subsection 216(4) of the Canadian *Income Tax Act* within six months of the end of the tax year for which the undertaking is filed. Each non-resident member of a partnership who files a valid undertaking must file a separate income tax return. For information on how to complete a Section 216 return, see the *Income Tax Guide for Non-Residents Electing Under Section 216*.
- The agent has to file an NR4 return before March 31 of the year after the year in which the rental income was paid or credited, or within 90 days of the fiscal year end for estates and trusts. For information on how to complete the NR4 return, see the *Non-Resident Withholding Tax Guide*.
- For more information, see Information Circular 77-16R4, *Non-Resident Income Tax* and Interpretation Bulletin 393R2, *Election Re: Tax on Rents and Timber Royalties – Non-Residents*, or contact the International Tax Services Office, toll free, at 1 800-267-3395 (in Canada or the United States) or (613) 952-2344 (elsewhere).

Section 1 - Non-resident identification

- Print your name and address, including your country of residence, and telephone number.
- For individuals, provide your Canadian social insurance number (SIN) or individual tax number (ITN) and your date of birth. If you don't have a SIN or ITN, please complete Form T1261, *Application for a Canada Revenue Agency Individual Tax Number (ITN) for Non-Residents*.
- For corporations, trusts, and estates, provide your Canadian tax account number as well as your fiscal year end.
- Provide your mailing address if it is different from your residential address.

Section 2 - Rental property information

- List all rental properties and provide the address of each rental property. Include the street number and name, apartment or suite number (lot and concession if a rural property), town or city, province or territory, and postal code. List additional properties on a separate sheet.
- Provide the estimated gross income, total expenses, and net income for the year for each property.
- On a separate sheet, provide an itemized estimate of the expenses you expect to incur during the year for each property. (You have to provide this information.) Include the current and prepaid expenses that relate to the day to day management of your property. Do not include capital cost allowance, depreciation, and amortization. You can claim these amounts when you file your income tax return.
- Each non-resident member of a partnership filing an undertaking should report only his or her share of the gross rents, total expenses, and net income.
- Rent on real property includes crop-sharing proceeds.

Section 3 - Undertaking by non-resident

- Sign and date in the designated area.
- You must sign this form for the undertaking to be valid.
- If a representative signs on your behalf, he or she must print his or her name in the space provided and attach a copy of the power of attorney document.
- If you do not fulfill your obligations as specified in the undertaking, you will have to pay to the Receiver General for Canada, the full amount of tax that you would otherwise have been required to remit in the year, as well as applicable interest charges. We calculate the required amount of tax at the statutory rate of 25% of the gross rental income, unless reduced to a lesser rate by the provisions of a bilateral tax treaty, minus the amount of tax already remitted for the year.

Section 4 - Canadian agent identification

- To be considered an agent for the purposes of this form, you must be a resident of Canada to whom the rental payments are paid or credited on behalf of the non-resident when this form is signed.
- Print your name, address, city or town, province, postal code, and telephone number.
- Provide your non-resident tax account number. If you do not have one, we will assign one to you when we process this form.
- Provide the first month of the year for which you expect to receive rental income.
- Sign and date in the designated area.
- If the non-resident does not file the income tax return or pay tax according to the conditions of the undertaking, you as agent will have to pay to the Receiver General for Canada the full amount of tax that would otherwise have been required to be remitted in the year, as well as applicable penalty and interest charges. We calculate the required amount of tax at the statutory rate of 25% of the gross rental income, unless reduced to a lesser rate by the provisions of a bilateral tax treaty, minus the amount of tax already remitted for the year.
- If you fail to file the NR4 return by the due date, you may be charged a penalty and interest.