

Non-Resident Tax Compliance and Filing: How Saradal Properties Supports You

Owning rental property in Canada as a non-resident comes with specific tax responsibilities that can be complex to manage without the right support. At Saradal Properties, we ensure that our non-resident clients stay fully compliant with Canadian tax laws while optimizing their tax outcomes.

Monthly Tax Withholding Requirements:

Under Canadian tax law, non-resident property owners are required to remit 25% of their **gross rental income** each month to the Canada Revenue Agency (CRA) as a withholding tax. If this tax is not withheld and remitted properly, owners may be subject to penalties and interest charges.

Electing for Net Income Taxation (Section 216 Election):

To reduce the tax burden, non-resident owners can file an NR6 form, allowing taxes to be calculated based on **net rental income** (after eligible expenses such as mortgage interest, property management fees, repairs, and property taxes). This typically results in a much lower tax payment than the standard 25% on gross income.

Saradal Properties handles the full NR6 election process, including:

- Preparing and submitting the NR6 forms at the beginning of each year or when a property is first rented.
- Estimating the expected rental income and expenses to justify reduced monthly withholding.
- Managing CRA communications and approvals on behalf of the owner.

Ongoing Tax Remittance:

If the NR6 is approved, we will collect and remit 25% of the **net rental income** monthly to the CRA. If no NR6 is filed, we are required to remit 25% of the **gross rental income** instead.

Year-End Reporting and Filing:

At the end of each tax year, Saradal Properties ensures that:

- An NR4 slip (showing rental income and withholding taxes) is prepared and submitted to the CRA.
- The non-resident files a **Section 216 tax return** (T1159 form) to report their rental income officially, claim eligible expenses, and reconcile any overpayments or outstanding balances.
- Clients receive all necessary documentation and support to complete their tax filings efficiently.

Key Benefits of Working with Saradal Properties for Non-Resident Tax Compliance:

- Full compliance with CRA regulations — no missed deadlines or penalties
- Maximization of allowable deductions to lower your taxable income
- Hands-off experience — we manage tax filings so you can focus on your investment
- Transparent reporting and communication every step of the way
- Collaboration with specialized tax accountants if needed for complex portfolios

In short, we make it easy for non-resident property owners to stay compliant, minimize taxes, and protect their investments in the GTA — all while enjoying complete peace of mind.