



Patrick Burns, CPA, PA

Information for Foreign
Investors
Owning Property in the
United States



Short Term Rental Property

Congratulations on the ownership of your new rental property!

Our firm is fortunate enough to represent numerous individuals from the United Kingdom and throughout the world regarding United States federal, state and local tax matters. We offer a variety of accounting, tax and consulting services designed to assist you in your success.

Non-resident property owners receiving income from rental homes in the United States are subject to U.S. income tax regulations. By owning rental property you are required to file federal, state and local tax returns. The laws relating to these taxes can be very complicated, especially for foreign taxpayers. Our firm specializes in handling these complicated tax matters.

We can assist you in establishing your rental property, so you may proceed in collecting income with the majority of income tax advantages available through the U.S. tax laws. Additionally, we compile Federal Income Tax Returns, Tangible Personal Property Tax, Sales and Tourist Tax, and Property and Real Estate Tax.



Federal Tax Implications and Requirements

All income collected from your rental property is considered to be reportable income. As a non-resident alien engaged in a United States business, each owner of the property must file a Non-Resident Alien Income Tax Return by June 15th following each year income was collected from your rental business.

Each owner must have either a social security number or an Individual Taxpayer Identification Number. Our firm can help you obtain a Taxpayer ID Number, if you do not already have one.

Sales and Tourist Tax

Once you begin to receive rental income, the gross amount collected is subject to State of Florida county sales and tourist tax (between 11% and 13% depending on which county your property is located). Sales and Tourist tax is required to be reported and paid monthly for each jurisdiction.

Tangible Property Tax

Each year, you are required to file a Tangible Personal Property Tax return with the County detailing the tangible assets (furniture & fixtures) or your business (Rental Property). Tangible Personal Property Tax Returns must be filed with the county prior to April 1st each year. The county will assess a tax and bill you for the tax amount due the following September.



Other Requirements

Licenses

Each individual rental property must have a valid Florida Department of Business and Professional Regulation Hotel/Motel License and county Occupational License before it can be rented as public lodging.

Zoning

Before you start to seek a property for purchase as a rental unit, you will want to be certain that you are looking in areas that are specifically zoned for short-term rentals. This information can usually be found on the builder's contract or can be confirmed through your real estate agent.

Insurance

You are responsible for making sure that you have adequate insurance coverage on your property and its contents. Most mortgage companies will require a minimum level of hazard insurance.



Getting Started

Setting up a rental property in the United States

We can assist you in filing the necessary forms with the Federal, State and Local government to obtain your Taxpayer Identification Number and occupational license to begin renting your property.

Our firm will also compile your annual Federal Income Tax Return and Tangible Personal Property Tax Return.

Each owner is required to have an Individual Taxpayer Identification Number. Our firm will make application for your ITIN with the IRS. To accomplish this we will need:

- An original notarized copy of your Passport
- A copy of the Settlement Statement or Purchase Contract detailing the purchase price of your property



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Our initial fee to register you with all federal, state and local tax authorities is \$500.00. We will also prepare your annual Federal Income Tax Return and Annual County Tangible Personal Property Tax Return for a fee of \$500.00 per year. Additional fees apply for multiple rental properties.

At my firm, we are committed to helping individuals and businesses meet their financial goals. I look forward to assisting you with the success of your finances. Use the list in the "Getting Started" section of this packet to begin your preparation. If you have any questions, please do not hesitate to contact me directly at (407) 228-4443. Thank you very much for your confidence in my services.

Sincerely,

Patrick M. Burns

Patrick M. Burns, CPA