

A non-UK domiciled employee requires advice in relation to the remittance basis.

Yara – non-UK domiciled employee:

- Is currently resident in the UK but domiciled in the country of Setubia.
- Became UK resident when she was employed by Methley Ltd on 1 April 2008.
- Receives an annual salary from Methley Ltd of £80,000 and has no other UK source of income.
- Receives rental income from an unfurnished residential property in Setubia.

Yara – overseas rental income:

- The gross annual rental income from the overseas property is £24,000.
- Yara only remits £15,000 of this income to the UK each year.
- Yara has previously claimed the remittance basis each tax year.

Required:

(c) Advise Yara whether or not it would be beneficial for her to claim the remittance basis in the tax year 2015/16, and calculate the increase, if any, in her income tax liability for the tax year 2015/16 compared to that of previous years, assuming that she chooses the most tax beneficial course of action.

Note: You are not required to consider the potential availability of double taxation relief (DTR). (7 marks)