

## RESIDENCE AND NON-RESIDENCE FOR ISLE OF MAN PURPOSES

There is no general definition of residence for tax purposes in the Isle of Man. Determining residence is important, however, as a person who is resident in the Isle of Man will be liable to Manx income tax on his worldwide income, although the Tax Cap may apply in some circumstances.

Normally if a person moves to the Isle of Man with the intention of remaining here indefinitely or for a period covering at least a complete tax year, he will be considered to be resident in the Isle of Man from the date of arrival.

Available accommodation and some physical presence in the Isle of Man in any year will not automatically mean that a person is resident in the Isle of Man.

A Practice Note issued by the Income Tax Division in June 2007 sets out clearly the criteria for determining residence.

To be treated as tax resident in the Isle of Man one must:

- be physically present for 6 months or more in total in any tax year, or
- make visits of more than 90 days a year over a four year period, which will result in residency in the fifth year. Days of arrival and departure are not counted.

In other cases the Assessor will consider the evidence, and consider whether a person had a view or intent of establishing residence, rather than being on the Island for some temporary purpose.

The Isle of Man Income Tax Act 1970 specifically states that “**no person who is in the Isle of Man for some temporary purpose only and not with any view or intent of establishing residence**, and who has **not** actually resided in the Isle of Man for a period equal in the whole to six months in any year, shall be chargeable to income tax as a person residing in the Isle of Man; but every such person after residence in the Isle of Man for six months in the tax year shall be chargeable with income tax for that tax year.”

If you would like to know more then please contact

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