Per Articles 158 and 159 of the Tax Code, a visa, other than a tourist visa when you visit Mexico, is NOT necessary.    As a non-resident you may rent your property and pay taxes in compliance with Mexican law.   Additionally, due to treaties, there is no double taxation and expenses of your property can be deducted in your country of residence

**IS RENTING MEXICAN PROPERTY PROHIBITED?**

*I have been told that the standard bank trust wording for foreign individuals does not permit the rental of residential property at all.   How can you offer to pay taxes on income on a prohibited activity?*

*Jim from Playa del Carmen*

Hi Jim.   I have seen only one trust document that prohibited the rental of trust Property and that was declared illegal. The foreign investment law specifically permits the beneficiary (foreigner) to rent, sell, modify their properties and to collect the profits therefrom.      Many trusts state that the bank must pay the taxes, but we know that will not happen.   It has been our experience that if the foreigner pays his/her taxes on rental income and has the receipts to prove it there is absolutely no quarrel with Mexican officials.

            What can happen, however, is that your condominium administration may prohibit rentals in the complex, in order to satisfy owners who do not want a whole lot of rental traffic.   This is legal if the owners agree to put this clause into their own HOA rules.

***OUR PROPERTY TITLE IS IN AN LLC.   HOW CAN WE PAY TAXES ON THE INCOME?***

*Marilyn from Cozumel*

Hi Marilyn.   Thanks for your question!  We have copies of your documents translated and authorizations prepared in the name of the LLC and signed by the legal representative.  With this we can pay your taxes and provide you with receipts which will be accepted by the tax authorities in your country of residence.

***IS THE FIDEICOMISO THE PROPERTY DEED?***

*June from Michigan with property in Ixtapa.*

Yes, the *Fideicomiso* to hold property in the restricted zone of Mexico is both a contract with the Mexican bank to hold your title as trustee, and also is the deed to your rights in the property.

***WE HAVE HEARD THAT OUR PROPERTY CAN BE SEIZED BY THE GOVERNMENT IF TAXES ARE NOT PAID MONTHLY.   IS THIS TRUE?***

*John from Puerto Penasco*

Yes.   Definitely failure to pay taxes on income is a violation of the Mexican law and property can be attached and sold as payment for past due taxes after a procedure similar to those used by the US and Canada tax authorities.  To date the Mexican tax authorities have not aggressively pursued violators, but this is changing as they have access to internet and rental promotion programs.

**PAYING TAX ON YOUR RENTAL INCOME FROM MEXICAN PROPERTIES IS A MUST, WHETHER YOU LIVE IN MEXICO OR NOT.  GET LEGAL and AVOID THE CONSEQUENCES OF TAX EVASION!**

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