Tax on a Dubai property: what owners need to report and pay back home

Written by Usama Haj Yahia, founder of U810 Properties | Last updated: 19.11.2026

Dubai has no income tax on individuals, but that does not settle your tax position. Your own country decides whether you need to report rent or a gain from a sale there, and many countries tax their residents on income from abroad. So check how this applies to you with an accountant in your country. If you are a tax resident of Israel, there is a separate section at the end of this page.

In short

- **In Dubai:** the UAE has no income tax on individuals.
- **Back home:** your country sets its own rules, and many countries tax their residents on income from abroad, including rent.
- **What to do:** before you buy, ask an accountant in your country what you need to report on rent, on a sale and on holding the property.

In this guide

01 In Dubai: no income tax on individuals

02 Back home: your own country decides

03 What to check back home

04 Tax treaties

05 Why "tax-free" is not the whole story

06 What to bring to the accountant

07 What I check when I guide you

08 For UK tax residents

09 For tax residents of Israel

10 Israeli tax residents: When you need to report

11 Israeli tax residents: How to report rental income from abroad

12 Israeli tax residents: Two tracks for tax on rental income from abroad

13 Israeli tax residents: You sold the property: capital gains tax and a notice within 30 days

14 Israeli tax residents: Surtax

15 Israeli tax residents: The treaty between Israel and the UAE

16 Israeli tax residents: Why "tax-free" is not the whole story

17 Israeli tax residents: What to bring to the accountant

01 In Dubai: no income tax on individuals

According to the UAE government portal, the UAE has no income tax on individuals. You still pay the costs of buying and owning a property, such as the registration fee and service charges (see the guide to buying costs).

02 Back home: your own country decides

Each country sets its own tax rules. Many countries tax their residents on income from anywhere in the world, and that can include rent from a property abroad. Other countries mainly tax income that arises inside the country.

So the sentence "there is no tax in Dubai" does not tell you what you owe at home.

03 What to check back home

These are good questions to bring to an accountant in your country:

- Do I need to report rent from the property, and how?
- What do I report and pay when I sell, including when I sell at a loss?
- Do I need to report the fact that I hold a property abroad, or that I transferred a large amount?
- Are there deadlines, for example after a sale?
- How does the exchange rate affect the calculation of my gain?

04 Tax treaties

Tax treaties decide which country may tax what, and how to avoid paying twice. The UAE had signed 146 such agreements by the end of 2024, according to The National. Check with your accountant whether your country has one and what it says.

Countries that tax residents on foreign income usually give a credit for tax paid abroad. But when no tax was paid in the UAE, there may be nothing to offset, so a treaty does not necessarily exempt you from tax at home.

05 Why "tax-free" is not the whole story

Marketing material about Dubai sometimes says "100% tax-free". Even if that is true in Dubai, it says nothing about what you need to report or pay in your own country. So it is not a good idea to build a plan on that sentence without checking.

06 What to bring to the accountant

It is worth keeping these documents from the start. The list comes from my own purchase, and your accountant may ask for others:

- The sale and purchase agreement (SPA) and the registration confirmation (Oqood, and later the Title Deed).
- Statements of account from the developer (SOA) and the transfer confirmations (SWIFT).
- The rental contract, and reports from the management company, if there is one.
- The sale documents, if you sell.

07 What I check when I guide you

I am not an accountant, and I do not calculate tax or advise you how to report. When I guide you, I help you keep from the start the documents the accountant will ask for, remind you to check your reporting obligation as early as the year you start transferring money, and connect you with professionals when needed.

08 For UK tax residents

The UK says its residents normally pay tax on foreign income, and lists rental income on overseas property as an example. Check how this applies to you with a UK tax adviser.

09 For tax residents of Israel

Everything from here on applies only to people who are tax residents of Israel.

10 Israeli tax residents: When you need to report

The situation	What you report	Where
The property is rented out	The rental income	In the annual return (Form 1301), or on the short track with Form 5329

The situation	What you report	Where
You sold the property	The gain or loss from the sale	A notice on Form 1399 (the individuals' form) within 30 days of the sale, and later also in the annual return
You hold assets abroad worth ILS 2,086,000 or more	Holding them is in itself a reason to file an annual return	Form 1301
You transferred ILS 500,000 or more abroad within 12 months	The transfer is in itself a reason to file an annual return	Form 1301

The last two thresholds appear in the annual return form for 2025, and they can change from year to year. The threshold for assets abroad also includes assets of your spouse and of children under 18. People who pay a developer in instalments sometimes reach the transfer threshold even before handover, so it is worth checking this with an accountant as early as the year you start paying.

11 Israeli tax residents: How to report rental income from abroad

For Israeli residents with non-business income from abroad, such as renting out an apartment, the Israel Tax Authority offers a **short reporting track**. This is Form 5329, "Details on income and assets abroad". You submit it at the Tax Authority office for your place of residence, and pay at the post office or at the assessing office. If you file a full annual return (Form 1301), you report there, and the form has a separate line for rental income from abroad on the 15% track.

12 Israeli tax residents: Two tracks for tax on rental income from abroad

For rental income from a property abroad that is not business income, there are two ways to pay tax in Israel:

	The 15% track (section 122A)	The regular track (tax brackets)
Tax rate	15% of the income	According to the tax brackets. For people under 60, the first bracket on income that is not from work is 31%, and the brackets go up to 47%. From age 60, the brackets for income from work apply
Deduction of expenses	None, other than depreciation	You deduct expenses incurred in producing the income, under the regular rules

	The 15% track (section 122A)	The regular track (tax brackets)
Offset, credit and exemption	No offset, credit or exemption, and no credit for tax paid abroad	Under the regular rules

The right track for you depends on the amount of income, your expenses, your age and your other income. So the choice is made with an accountant, not by a table.

13 Israeli tax residents: You sold the property: capital gains tax and a notice within 30 days

A sale of a property abroad is reported in Israel, even when it was sold at a loss.

- **The tax:** on the part of the real gain that accrued from 1 January 2012 until the sale, an individual pays tax of up to 25%. The part that accrued earlier is calculated under other rules: up to 2002 at the marginal tax rate of the seller, and between 2003 and 2011 at 20%. The real gain is the gain after deducting the rise in the consumer price index. If annual income is high, a surtax can also apply (see below). New immigrants and veteran returning residents may be exempt from tax on such a sale; see the guide on the Golden Visa and tax residency.
- **The notice:** within 30 days of the sale, you file a notice of sale of an asset with the Israel Tax Authority (Form 1399 for individuals), with a calculation of the gain or loss, and make an advance payment on account of the tax. You file a separate form for each property sold.
- **The annual return:** the notice also serves as an appendix to the annual return. If you file the annual return online, you fill it in there as well.

How the gain is calculated, including the effect of the dirham to shekel exchange rate and of depreciation deducted during the years of renting, is work for an accountant. It is worth going to one before you sign the sale, not after.

Want to sell before handover? See the guide to selling an off-plan property, and check with an accountant what it means for reporting in Israel.

14 Israeli tax residents: Surtax

In a year in which you sell at a large gain, your income can go over the surtax threshold (ILS 721,560 a year), so it is worth checking this in advance with an accountant.

15 Israeli tax residents: The treaty between Israel and the UAE

Israel and the United Arab Emirates signed a treaty for the avoidance of double taxation on 31 May 2021. It came into force at the end of 2021, and according to the Israeli Ministry of Finance it applies from 1 January 2022.

Under the treaty, the UAE may also tax rental income and gains from selling property located there, and Israel gives a credit for tax paid there. But the UAE has no income tax on individuals, so there is usually no foreign tax to offset, and the tax in Israel is paid in full. And on the 15% track there is no credit for foreign tax anyway. The full text of the treaty is published on the Israeli Ministry of Finance website. How it applies to your property should be checked with an accountant.

16 Israeli tax residents: Why "tax-free" is not the whole story

Marketing material about Dubai sometimes says "100% tax-free". Even if that is true in Dubai, an Israeli resident still has to report rental income and gains from a sale in Israel, and sometimes even the fact of holding the property. So it is not a good idea to build a plan on that sentence without checking.

17 Israeli tax residents: What to bring to the accountant

When I transferred the payments to the developer, I reported both to the bank at the time of the transfer and to the Israel Tax Authority that the transfers were payment for buying the property. For that you need documents that show what you bought and why the money was transferred, and it is worth keeping them from the start. This list is based on my own experience, and the requirements may change depending on what the bank and the Tax Authority ask for:

- The sale and purchase agreement (SPA) and the registration confirmation (Oqood, and later the Title Deed).
- Statements of account from the developer (SOA) and the transfer confirmations (SWIFT).
- The rental contract, and reports from the management company, if there is one.
- The sale documents, if you sell.

Frequently asked questions

Do I pay income tax in Dubai on rent from my property?

According to the UAE government portal, the UAE has no income tax on individuals. What you need to report or pay in your own country is a separate question.

Do I need to report a Dubai property in my home country?

It depends on your country. Many countries tax residents on income from abroad, so check with an accountant there, ideally before you buy.

Does a tax treaty exempt me from tax at home?

Not necessarily. When no tax was paid in the UAE, there may be nothing to offset. Check what your country's treaty says with an accountant.

For Israeli tax residents: There is no tax in Dubai, so why pay in Israel?

Because an Israeli resident is liable for tax in Israel on income from abroad as well. The fact that no tax was collected in Dubai does not exempt you from reporting and paying in Israel.

For Israeli tax residents: Does the treaty with the UAE exempt me from tax in Israel?

No. The treaty prevents double payment, and Israel gives a credit for tax paid in the UAE. But the UAE has no income tax on individuals, so there is usually nothing to offset, and the tax in Israel is paid in full.

For Israeli tax residents: I bought off-plan and have no rental income yet. Do I need to report?

Possibly. According to the annual return for 2025, anyone who transferred ILS 500,000 or more abroad within 12 months, or who holds assets abroad worth ILS 2,086,000 or more, must file an annual return even without income. Check this with an accountant.

For Israeli tax residents: Which is better, 15% or the regular track?

There is no single answer. It depends on the amount of income, your expenses, your age and your other income, so this is decided with an accountant.

For Israeli tax residents: I sold at a loss. Do I need to report?

Yes. According to the Israel Tax Authority, a sale of real estate abroad must be reported within 30 days, even when it was sold at a loss.

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A question about tax back home?

Tell me about your situation, and together we will work out what to ask your accountant.

Send a WhatsApp message →

This information is general and correct as of the update date. The section for tax residents of Israel is based on the Income Tax Ordinance and on publications of the Israel Tax Authority and the Ministry of Finance. It is not tax advice and is not a substitute for an accountant or tax adviser. U810 is not an accountant or a tax adviser, and connects you with professionals when needed.