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SAN DIEGO REAL ESTATE

FREE GUIDE · 2026 EDITION

The Indian Buyer's Guide to Buying U.S. Property

LRS limits, TCS, NRE/NRO accounts, ITIN and U.S. taxes, step by step.





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THE SHORT ANSWER

Indian residents can buy U.S. property by sending money under the Liberalised Remittance Scheme (LRS), up to USD 250,000 per person each financial year. Remittances above Rs 10 lakh attract 20% TCS, which you can claim back against your Indian tax. NRIs use their NRE or NRO accounts instead. On the U.S. side you can buy in cash or with a foreign national loan.

Can Indians buy property in the USA?

Yes. There's no U.S. federal rule against Indian citizens buying homes, and you don't need a U.S. visa to buy. India was the fourth-largest source of international buyers of U.S. homes in the National Association of Realtors' 2025 report.

The rules that matter most are on the Indian side: how much money you can send abroad each year, and the tax collected when you send it.

Sending money as a resident Indian: the LRS

Under the Reserve Bank of India's **Liberalised Remittance Scheme (LRS)**, a resident individual can send up to **USD 250,000 per financial year** (April to March) abroad for permitted purposes, which include buying property overseas.

- The limit is **per person**. Family members can each use their own limit, which is how many families fund a purchase together. Plan this with your CA and bank, since the property and funds should line up with who's remitting.
- Your bank will ask for **Form A2** and supporting documents, and may ask for the purchase agreement.
- Remittances for a large purchase often need to be **spread across two financial years**, so start early.

TCS: the 20% collected when you send money

Indian banks collect **Tax Collected at Source (TCS)** on LRS remittances. For purposes like buying property abroad, TCS is **20% on the amount above Rs 10 lakh** in a financial year. (Lower rates apply only to education and medical remittances.)

TCS isn't an extra tax. It's credited against your Indian income tax for the year, and any excess is refunded when you file. But it ties up cash, so include it in your budget and timeline.

On a USD 250,000 remittance, TCS can tie up a large sum until you file your return. Ask your CA how to time remittances against your expected tax.

If you're an NRI

NRIs (Indians living outside India) aren't covered by the LRS. You can generally:

- Use funds in an **NRE account**, which are freely repatriable.
- Send money from an **NRO account** up to **USD 1 million per financial year**, with CA certification (Forms 15CA and 15CB).
- Use income earned abroad directly, without routing it through India at all.

On the U.S. side: ITIN, financing and closing

- **ITIN:** not needed to buy with cash, but needed to report rental income and when you sell. You can apply from India through an IRS-authorized Certifying Acceptance Agent so you don't have to mail your passport. See our ITIN guide.
- **Financing:** U.S. lenders with foreign national programs lend to buyers living abroad, typically with a larger down payment. Employees on U.S. work visas often qualify for standard loans.
- **Closing from India:** documents are usually signed before a U.S. consular officer or an Indian notary with an apostille, depending on what the title company accepts.
- **Wiring funds:** confirm wire instructions by phone before every transfer. See our wire fraud guide.

Taxes to plan for

- **U.S. rental income** is taxable in the U.S. You'll file a nonresident return (Form 1040-NR).
- **India:** residents are taxed on worldwide income and report foreign assets in Schedule FA of the income tax return. The India–U.S. tax treaty helps avoid paying tax twice on the same income.
- **U.S. estate tax:** there's no India–U.S. estate tax treaty, and non-U.S. owners have a small U.S. estate tax exemption. Larger purchases deserve estate planning before you buy.
- **When you sell:** FIRPTA and California withholding apply. See the FIRPTA guide.

Your checklist

Work through these in order. Tick them off as you go.

- [ ] Confirm whether you're remitting as a resident (LRS) or an NRI (NRE/NRO)
- [ ] Map each family member's USD 250,000 LRS limit and the financial years
- [ ] Budget for 20% TCS above Rs 10 lakh and when you'll claim it back
- [ ] Line up Form A2 and documents with your bank early
- [ ] Apply for an ITIN through a Certifying Acceptance Agent if you'll rent or sell
- [ ] Get a foreign national loan pre-approval if financing
- [ ] Plan U.S. estate tax exposure before you buy
- [ ] Confirm wire instructions by phone before every transfer

Questions buyers ask

How much money can I send from India to buy property in the USA?

Resident individuals can send up to USD 250,000 per financial year under the Liberalised Remittance Scheme. The limit is per person, so family members can each use their own.

What is the TCS on buying property abroad from India?

Banks collect 20% TCS on LRS remittances above Rs 10 lakh in a financial year for purposes like buying property abroad. It's credited against your Indian income tax, and any excess is refunded when you file.

Can NRIs buy property in the USA?

Yes. NRIs aren't covered by the LRS. They can use funds in an NRE account, send up to USD 1 million per financial year from an NRO account with CA certification, or use income earned abroad.

How do I get an ITIN from India?

File IRS Form W-7, usually with a U.S. tax return or under an exception. Using an IRS-authorized Certifying Acceptance Agent lets you verify your passport without mailing the original.

Processing generally takes about seven weeks or longer from abroad.

Can I get a U.S. mortgage while living in India?

Yes. Some U.S. lenders offer foreign national loans to buyers living abroad. Expect a larger down payment than a U.S. resident, more documentation of income and assets, and a higher rate.

Do I have to travel to the U.S. to close?

No. You can sign closing documents in India, usually before a U.S. consular officer or a local notary with an apostille, depending on what the title company accepts.

Want a plan for your exact situation?

Tell me your country, budget and timeline. I'll send a step-by-step plan and introduce the lenders, attorneys and tax advisors who work with buyers like you.

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