



Tax Matters

August 2009

Welcome to the August 2009 edition of Tax Matters.

In this edition we focus on the Local Government (Charges) Act 2009 applying an annual charge of €200 to the "owners" of all Irish "residential property".

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The Local Government (Charges) Act 2009 applies an annual charge of €200 to the “owners” of all Irish “residential property”. Liability to pay the charge is determined on the basis of ownership of the property in question on a single day each year. This date is called the “liability date”.

For 2009, 31 July has been set as the liability date, however, the liability date for subsequent years is 31 March. The charge must be paid within two months of the liability date (by 30 September in 2009). Liability falls on all co-owners but payment by any one co-owner discharges the liability of all co-owners.

The main types of residential property liable for the charge are private rented property, vacant property (except new but unsold residences) and holiday homes.



Exemptions

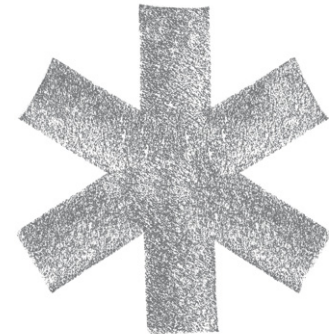
Exemptions from the charge include:

- an individual's sole or main residence including a home where the individual is claiming "rent-a-room" relief;
- a building of particular heritage which is an "approved building" by the Minister for the Environment, Heritage and Local Government and the Revenue Commissioners;
- a building forming part of the trading stock of a business (only if it has not previously been let or used as a dwelling);
- a building occupied under a shared ownership lease;
- a building leased to a housing authority or the Health Service Executive;
- properties owned by certain charities;
- properties which through judicial separation or divorce become the principal residence of the other spouse; and
- a mobile home.

In certain circumstances where an individual owns two properties on a liability date, the Act does permit the payment of a refund. The refund may apply where a person, in the course of moving house, owns two properties for a temporary period.

In addition, if a person has to vacate their principal private residence (which they own) due to long-term incapacitation arising from physical or mental illness, the property is exempt from the charge irrespective of the use to which it is subsequently put and as long as the individual does not own the property in which they now reside.

Granny flats and similar dwellings are exempt if the dwelling is occupied by a relative (or a relative of a spouse or partner), free of rent and provided it is located no more than two kilometers from the residence of the owner.



How to pay

How to pay

The €200 payment can be made at the website www.nppr.ie. Multiple properties can be paid for using the online system. Declaration of your liability for the charge must be made when making the payment. This declaration can be made through the website or in writing on the approved form, as part of the payment process in either case. You must provide the following:

- name of the owner of the property;
- address of the property;
- address for correspondence of the owner of the property;

- Personal Public Service (PPS) Number of the owner of the property in the case of a private ownership; and
- tax reference of the owner where the owner is a company (reference number as issued by the Revenue Commissioners or the registration of the company under Companies Acts can be used).



If a charge is not paid within a month after the last date for payment, a late payment fee will apply for every month or part of the month that the €200 charge remains unpaid. An individual who does not pay a charge within the relevant two month period leaves themselves open to prosecution by the local authority to whom the payment is due. A person convicted of an offence under the Act is liable to a fine up to €2,000. Additionally, any charge or late payment fees due and unpaid will remain as a charge against the property for a period of up to 12 years even after the property is sold.

Exchange of information

The Act provides for the exchange of information between the Private Residential Tenancies Board (PRTB), the ESB and the Revenue Commissioners, including an exchange of PPS numbers.

Further information is available at www.nppr.ie

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