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# Tax and legal update

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- Companies Registration Office (CRO) – peak filing season;
- step by step guide for homeowners and landlords wishing to undertake repairs, renovations or improvement works; and
- reminder – what does the 9% VAT rate apply to?

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## Companies Registration Office (CRO) – peak filing season

The Companies Registration Office (CRO) recently announced that they are expecting over 50,000 companies to file an annual return dated 30 September 2017, along with their 31 December 2016 financial statements, before the **end of November 2017**. CRO electronic filing of annual returns and financial statements is now mandatory under Statutory Instrument No. 458 of 2016 and Section 897 of the Companies Act 2014.

Here are some points to consider if your company is about to submit its annual CRO filings and you are not using Grant Thornton or another company secretarial service provider.

The B1 (annual return) form can be signed digitally using a Revenue Online Service (ROS) certificate or can be signed using a signature page on [www.core.ie](http://www.core.ie). The signature page is available after the B1 form has been submitted electronically and must be **printed, signed and delivered to the CRO within 28 days** of submitting the form online.

Once the B1 has been filed on CORE within 28 days of its annual return date, the financial statements must be uploaded as a PDF no later than 28 days after the B1 e-filing date.

Hard copies of the financial statements will not be accepted by the CRO, instead:

- all financial statements must be uploaded as a PDF either on CORE or on a

software package on or within 28 days of the capture of the B1. The PDF of the financial statements can be attached to the B1 in your workspace in CORE, in much the same way as you attach a document to an e-mail;

- the B1 signature page must not be delivered to the CRO until after the financial statements have been uploaded as a PDF; and
- the overall certification for the financial statements must be signed by the director and secretary and is required to be delivered to the CRO within 28 days of the date on which the B1 was e-filed.

Payment must be made for an annual return online via debit/credit card or by CRO customer account. If an annual return is filed late, late filing penalties apply and where applicable, the company also loses its entitlement to claim audit exemption in the current year and in the following year.

Where documents are non-compliant they will no longer be physically sent back to the presenter. An email will issue to the presenter informing them that their document is incorrect and that they must resubmit their B1, re-upload their financial statements, print and sign a new signature page and deliver it to the CRO within 14 days, as appropriate. You should ensure that you provide the correct email address on the B1 to ensure that you are alerted when/if your documents are rejected.

Please contact us if you require any assistance in relation to your CRO filings.

## Step by step guide for homeowners and landlords wishing to undertake repairs, renovations or improvement works - Have you considered the Home Renovation Initiative (HRI)?

### What is the HRI scheme?

The HRI enables both homeowners and landlords to claim tax relief on VAT incurred at 13.5% on repairs, renovations or improvement work. This includes:

- adding an extension, garage or converting an attic;
- fitting of kitchens or windows;
- garden landscaping; and
- pumping, tiling, rewiring, plastering and painting.

The minimum qualifying expenditure is €4,405, resulting in a tax credit of €595 (13.5%), with maximum spend of €30,000 resulting in a credit of €4,050. The HRI credit is added to your other tax credits and split evenly over the two years, following the year the work was carried out. Any unused tax credit can be rolled over into the year following this.

### When does the work have to be carried out?

- homeowners: Between 25 October 2013 and 31 December 2018; and
- landlords: Between 15 October 2014 and 31 December 2018.

### Where do I begin?

It is crucial that you complete the following steps before work begins:

- step one - Ask the contractor to confirm that the proposed works qualify for the HRI tax relief and specify if it is a rental property;
- step two - Provide your contractor

with details of your property ID (which can be found on Local Property Tax (LPT) correspondence from Revenue). Ensure that LPT payments are up to date; and

- step three - Ask the contractor to register the details of the work with Revenue. Be sure to check with your tax advisor or on your personal ROS record (My Account) that these details have been received and processed by Revenue. If the work details do not show, this can only be corrected by the contractor.

### Registering the payments

Once you begin making payments to your contractor, these details should be submitted by the contractor and appear on ROS for you to view, select and submit a claim against. If after receiving the payment, the contractor neglects to record the payment, you will not be able to go online and claim.

### How do I claim the credit?

- PAYE workers claim online via 'My Account'. It is not automatic, you must select and claim; and
- self-employed taxpayers claim on the ROS home screen. The credit can then be included on your income tax return. If you have PAYE income also you can select to offset the credit against this source income.

### Reminder - what does the 9% VAT rate apply to?

The 9% VAT rate, known as the 'second reduced rate' was introduced as part of the government's jobs initiative in Finance (No.2) Act 2011. Effectively the rate of VAT on certain goods and services in the hospitality sector was

reduced from 13.5% to 9%, with the aim of allowing businesses to increase revenue by passing on the reduction to consumers and attracting more tourists to Ireland. The rate change became effective from 1 July 2011 to the 31 December 2013, but was extended indefinitely.

The schedule of supplies that fall under the 9% rate are available in paragraphs 3(1) to (3), 7, 8, 11, 12 and 13 of schedule 3 of the VAT Consolidation Act 2010 and includes:

- restaurant and catering services;
- hotel and holiday accommodation;
- admissions to cinemas, theatres, certain musical performances, museums and art gallery exhibitions; fairgrounds or amusement park services;
- the use of sporting facilities;
- hairdressing services; and
- printed matter such as brochures, maps, programmes, leaflets, catalogues and newspapers.

Leaders in the construction sector have lobbied for a similar reduction in the rate of VAT on construction services which they feel would make more new housing developments viable.

Offices in Dublin, Belfast, Cork, Galway, Kildare, Limerick and Longford.

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