

Tax News

“Tax Explained and Tax Saved” - Update



At our recent briefing entitled “Tax Explained and Tax Saved” we mentioned that we would update you once the new EUR200 local authority tax was introduced as highlighted by the Minister for Finance in his budget speech last October.

Below are the key points and if you have any queries please contact any member of our tax team.

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Local Authority Property Tax

- The tax will apply mainly to rented residential properties, holiday homes and second homes owned today, 31 July 2009
- An important point for landlords to note is that there is no cap on the tax where there are multiple units in one property. For example, if a house is divided into four apartments then a EUR200 charge will apply in respect of each apartment (i.e. a total charge of EUR800)

Exemptions

The main exemptions are as follows:

- Main homes (including homes where a room is let under the Revenue’s “rent a room” scheme)
- Newly built properties which are vacant and have never been let. This is relevant for builders/property developers who have unsold property
- Properties occupied by a former spouse under a divorce or separation agreement
- A second residence within 2km of your own main home which is occupied rent free by a relative as their main home

Payment

We understand the tax for 2009 must be paid to the relevant local authority by **30 September 2009**. A late payment fee of EUR20 will apply for each month (or part of a month) after the charge falls due. The payment can be made online at www.nppr.ie

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