

BER Certificate Requirement

From the 1st of January 2009 a BER certificate is compulsory for all homes being rented. In addition you must have a BER certificate when selling a property. The BER certificate is the energy rating label of your property. The label has a scale of A-G. A-rated homes are the most energy efficient and G the least efficient.

Local Property Tax

The Local Property Tax applies to all residential property from 01/07/2013. Tax will apply in 2014 at the following rates:

Market Value up to 1,000,000	0.18%
Excess over €1,000,000	0.25%

Deferrals are provided for and certain exemptions will apply.

See our Local Property Tax Brief at

www.dgl.ie/downloads for more information.

Capital Gains Tax

The disposal, by way of sale or gift, of property located in Ireland is liable to Capital Gains Tax for both residents and non-residents alike. Non-residents may also be liable in their country of residence and advice should be sought in this regard. Irish resident and domiciled individuals are also liable to Irish Capital Gains Tax on the disposal of foreign owned property. The gain taxable is the increase in value since acquisition as reduced by any enhancement costs and incidental costs of acquisition/disposal. Retention of invoices is advised. The rates and payment dates are as follows:

Rate up to 05/12/2012	30%
Rate from 06/12/2012	33%
Due Payment Date	
Disposals Jan to Nov	15th Dec
Disposals Dec	31st Jan
If bought between 07/12/2011 and 31/12/2014 Held for 7 Years	Gain Exempt for 7 Years of ownership

YOUR TAX OBLIGATIONS AT A GLANCE

Irish Resident and Non Irish-Resident Individuals & Companies

	Owner Occupied Residential	Owner Occupied Commercial	Rental of Residential/ Commercial
Tax No. Required	Yes	Yes	Yes
Stamp Duty	Yes	Yes	Yes
VAT Recovery	No	Certain Conditions	Commercial Certain Conditions
Income Tax/ Corporation Tax	Yes	Yes	Yes
Tax Withholding Required	No	No	Yes for Non-residents without Agent
PRTB Reg.	No	No	Rented Residential
BER	Yes (if sold)	No	Yes
Local Property Tax	Yes	No	Yes
Capital Gains Tax	Yes	Yes	Yes

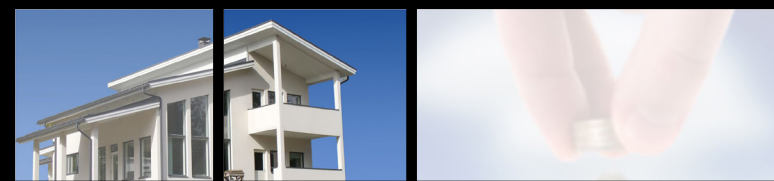
DGL DEACY GILLIGAN LTD
Accountants, Business and Taxation Advisors
(INCORPORATING DEACY & ASSOCIATES AND GREALY & CO.)

Block 1
Galway Financial Services Centre
Galway
Tel 00 353 (0)91 381 300
Fax 00 353 (0)91 381 381
Email office@dgl.ie

DGL DEACY GILLIGAN LTD
Accountants, Business and Taxation Advisors
(INCORPORATING DEACY & ASSOCIATES AND GREALY & CO.)

OWNING PROPERTY IN IRELAND

WHAT YOU NEED TO KNOW...



If you already own or are considering purchasing property in Ireland then the following is relevant to you.....



Tax Registration

A tax number will be required regardless of whether you are an individual, company, resident or non-resident. If you do not have a number already then one should be obtained at the earliest opportunity as it will be required as part of the purchase process.

Stamp Duty

Stamp Duty will be payable on the purchase of the property as follows:

Residential Property	2014
Aggregate Consideration	
- up to €1,000,000	1%
- Excess of €1,000,000	2%
Non-Residential Property	
All liable at a flat rate	2%

VAT

VAT may be charged on the purchase of the property. However, there is only an entitlement to recover VAT charged on **commercial property** which is either used for the purpose of a business carried on by the purchaser or rented as an investment asset. Pre-Contract VAT Enquiries should be obtained and VAT registration put in place prior to the completion of a purchase where VAT recovery is sought. There is a requirement to maintain a Capital Goods Scheme record for the duration of ownership.

Income Tax/Corporation Tax

If the property is purchased as an investment asset then any income after expenses will be liable to Income Tax, PRSI and USC for individuals and Corporation Tax for companies.

The rates applicable are as follows:

Income Tax	2014
First €32,800 @	20%
Balance @	41%
PRSI on Gross Income @ (Residents only)	4%
USC on Gross Income	2%/4%/7%
Income Tax Return Due Date	31 October

Corporation Tax

Corporation Tax Flat Rate @	25%
Undistributed estate income surcharge	20%
Corporation Tax Return Due Date	9 mths from Year End

The expenses allowed as a deduction for tax purposes include, but are not limited to, the following:

Mortgage Interest (restricted to 75% for rented residential), maintenance and repairs, rates, service charges, other costs associated with generating the income, i.e. agents fees, legal fees, accountancy fees, utility costs etc. Receipts should be retained to enable the expenses to be vouched.

Expenditure relating to capital items or capital improvements are not allowed as a deduction against income, but the cost of Fixtures & Fittings and Plant & Machinery can be written off in the form of Capital Allowances at a rate of 12.5% per annum over 8 years. Receipts for this type of expenditure should be retained in support of the claim.

Withholding Taxes – Non-Resident

Where a non-resident landlord applies to Revenue to appoint an Agent in Ireland to receive the rent on their behalf no withholding tax applies. If no Agent has been appointed the tenant must deduct standard rate tax from the gross rental payment, pay it over to the Revenue and issue the landlord with a Form R185 certifying the tax deducted. A credit for the tax withheld can be claimed against the Income/Corporation Tax payable on completion of the annual tax return.

PRTB Registration

Landlords are required to register all residential lettings with the Private Residential Tenancies Board within 1 month of letting. The fee is €90 per letting and €180 if registered after 1 month of the letting. Registration must be renewed if tenancy exceeds 4 years. **Failure to register will result in a landlord not being entitled to a deduction for the Mortgage Interest paid in calculating income for tax purposes.**



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Home Renovation Incentive (HRI) scheme

Incentive for Homeowners by way of an Income Tax credit at 13.5% of qualifying expenditure on repair, renovation or improvement works carried out on a main or principal residence. The credit is given over the two years following the year in which the work is carried out and paid for. 2015 will be the first year for HRI tax credits.

The work must be carried out by qualifying Contractors in the period 25/10/2013 to 31/12/2015. The cost of the works must be between €4,405 and €30,000 before VAT. Homeowners must be up to date with their Local Property Tax and Contractors must be VAT registered and tax compliant in order to qualify to carry out works under the incentive.

Better Energy Home Schemes – Grants

The Better Energy Home scheme provides grants to homeowners to upgrade their homes with energy efficiency measures, thus reducing energy use, costs and greenhouse gas emissions. Grants are provided for the following upgrade works done to any home built before 2006:

- Roof insulation
- Wall insulation
- Boiler and heating control upgrades
- Solar panels

Grant payment will be subject to the terms and conditions of the scheme and in particular the following:

- Grant is only eligible for homes built before 2006
- Grant approval must be in place before works commence
- Grant works must be completed to SEAI standards by a SEAI registered contractor
- Grant works, including a published BER, must be completed and paperwork submitted to SEAI within six months of the grant offer.

See more at: <http://www.seai.ie/Grants/Better>