

## IRISH PROPERTY TAX INFORMATION

Owners of rental property in the Ireland, who are in receipt of rental income, have an obligation to declare this income by submitting an Irish tax return to Revenue each year income is generated.

An individual is considered non-resident in Ireland, if s/he spends 183 days or more outside of the country in a calendar year or does not have their primary residence there. The tax year in Ireland is a calendar year running from January 1st - December 31st.

A non-resident Irish landlord must adopt the Non Resident Landlord Scheme (NRLS).

The deadline for filing an Irish tax return is 31<sup>st</sup> October following year end.

**Taxes payable when purchasing a property are as follows:**

**Irish Stamp Duty** is payable when purchasing property, Budget 2008 introduced significant simplification of the Stamp Duty system. An exemption applies for the first €125k, with stepped rates of 7% and 9%.

**Irish VAT** is payable in Ireland @ 13.5% (2009) on new builds and is not reclaimable when purchasing property. There is no VAT payable on second hand residential properties in Ireland.

**Ongoing taxes payable in Ireland on property are as follows:**

**Irish Income Tax** on rents is payable at rates of either 20% or 41% depending on the value of net rents after costs. Full deductions are allowed for costs incurred including mortgage interest. PRSI is also payable on net rents.

**Local Charges** are set by the Local Council/Corporation and vary according to the location. Usually tenants are responsible for the payment of Refuse Collection Charges but the sole responsibility lies with the landlord. Tax relief is given for these expenses.

**Other applicable taxes are as follows:**

**Irish Capital Gains Tax** is payable on any increase in value since acquisition @ 20%. The gain is calculated on the difference between the sale price the price of acquisition corrected by an inflation index.

**Irish Inheritance Tax** is payable by both resident and non-resident beneficiaries on certain transferred assets including property. There are exemption thresholds depending on the relationship between the donor and the beneficiary. The remaining taxable value in excess of the relevant threshold is taxed at 20%.

### **Worldwide income**

Rental income received in Ireland will first have to be declared before the Irish tax authorities. You may be liable to declare this income within your resident tax return.

**CONTACT: Property Tax International** can organise the completion and filing of all necessary Irish tax returns in addition to advising on your property tax obligations in your home country:

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