

NEW CHARGE ON NON PRINCIPAL PRIVATE RESIDENCES

August 2009

The Local Government (Charges) Act 2009 introduced a €200 annual charge on non principal private residences located in the State. Ownership of a non principal private residence on 31 July 2009 determines the liability to pay the €200 charge for 2009. The charge applies to all owners of non principal private residences, be they individuals, partnerships, co-ownerships or corporate entities.

The Act provides that the all residential property located in the State will be subject to the charge with the **exception** of the following residential properties:

- A property which is occupied as the sole/main residence of the person who owns it (including where an individual qualifies for rent-a-room relief for income tax purposes)
- A property which forms part of the trading stock of a business provided that that property has not been occupied as a dwelling or let since the date on which it was completed
- A property which is occupied by a person who is divorced or separated under a court order, where that property was previously occupied by both parties to the marriage as the family home, and both parties retain an interest in same following the divorce/separation
- A property which has had to be vacated by the owner of same as a result of long term incapacitation by reason of physical or mental infirmity, where they had previously occupied that property as their principal private residence and provided they do not own another property during this time
- A property occupied by an individual as their sole/main residence where that individual is a relative of the owner or a relative of the owner's spouse/partner, and where the property is provided rent free and is located within 2 km of the owner's main residence
- Any (residential) property which is liable to commercial rates
- Certain properties which are let by/to a housing authority or the Health Service Executive
- Where a property is acquired by a person in the course of moving house and on 31 July 2009 that person was the owner of two properties being their 'old house' and their 'new house' then, though the charge will apply to the second property on the basis that it is not being used by that individual as their sole/main residence, they may apply for a refund of same once their 'old house' is disposed of and the 'new house' is effectively used as their sole/main residence. The 'new house' must have been acquired in the period commencing 12 months prior to 31 July 2009 and the 'old house' was disposed of within a period of 6 months commencing on 31 July 2009

In general the charge will apply to rented residential properties and holiday homes (excluding mobile homes) owned on 31 July 2009. The charge will also apply where these properties were vacant at 31 July 2009. The charge is due to be paid by **30 September 2009** and can be paid electronically or by post. A declaration of the liability in the prescribed format must also accompany the payment. A €20 per month late payment fee will apply from 1st November in respect of each month for which payment is overdue. In addition, penalties for late payment may also apply. Further information is available at www.nppr.ie

CONTACTS



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