

# €200 Charge on Non-Principal Residential Property



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## INTRODUCTION

The Local Government (Charges) Act 2009, which was passed on 24 July 2009, has received very little media attention. It introduces a new charge on residential properties. The owners of Non-Principal Residential Property are required to pay the charge of €200 for every residential property, with the exclusion of the owner's principal private residence (and certain other exemptions listed below). The charge in respect of 2009 is due for payment on or before 30 September 2009, with the payment for 2010 due by 31 May 2010. The charge extends to any building used or suitable for use, by an individual as a separate dwelling (e.g. a house, maisonette, flat, apartment, bed-sit or holiday home).

The payment of the €200 charge should be sent to the relevant local authority or the NPPR, P.O. Box 11654, Dublin 8, and the cheque, bank draft or postal order should be made out to "LGCSB NPPR". The payment should be accompanied by a declaration stating that the property is subject to the charge. The declaration can be downloaded from [www.nppr.ie](http://www.nppr.ie). In summary, you must provide the name of the owner of the property, the address of the property and Personal Public Service Number of the owner of the property in the case of a private ownership (or the tax reference of the owner where the owner is a company). Alternatively the application and payment can be made on line at [www.nppr.ie](http://www.nppr.ie).

Where a payment is late, a late payment penalty of €20 per month or part of a month will apply. In addition, any unpaid charge or unpaid late payment penalty will be a charge against the property concerned. The late payment fee will apply to all payments made after 31 October 2009.

The charge applies to individuals, companies and certain trustees who hold residential property in Ireland. There is a separate charge for each house, maisonette, flat, apartment or bed-sit. Each local authority has produced guidelines, which can be found on their websites.

There are a number of exceptions to the charge, which include the following:

- ◆ Property not located in the Republic of Ireland.
- ◆ A residential property that is occupied by an individual as his or her sole or main residence.
- ◆ Newly constructed residential property that is held as part of trading stock and that has never been either sold or used as residence.
- ◆ A mobile home or caravan.
- ◆ A residential property owned by charities.
- ◆ A residential property that is owned by an individual and is occupied as their principal private residence but who also claim rent a room relief under S. 216A TCA 1997.
- ◆ A repayment facility is available where a person is moving house and in the process owns two houses for a relatively short period (i.e. the second property must have been acquired within one year before the liability date and the first property is sold not later than 6 months after the property date.)
- ◆ An exemption can also apply where there is joint ownership of a property after a divorce or separation agreement.

- ◆ Local Authority housing, shared ownership housing (with a Housing Authority) and some heritage buildings which qualify for significant buildings allowances under S.482 TCA 1997 also qualify for an exemption from the NPPR charge.
- ◆ An exemption is also available for a person who had to be taken into care because of incapacitation due to illness but who retains ownership of their house or apartment.
- ◆ An exemption also applies to a property in which a relative lives if it is provided free of rent and if it is located no more than two kilometres from the residence of the owner.

*The above is intended as a general guide to the measures announced in The Local Government (Charges) Act 2009. While every care and attention has been taken to ensure the accuracy of the information contained in this document professional taxation advice and clarification should always be sought.*

If you require any help with completing the form or have any questions in relation to the above please do not hesitate to contact **Eugene McQuillan** ([eugene@pmqtax.com](mailto:eugene@pmqtax.com))



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