

2<sup>nd</sup> September 2009

## **DEADLINE FAST APPROACHING FOR SECOND HOME TAX PAYMENT**



As announced in the Budget in October of last year, home owners of rental properties and holiday homes have until the end of September to pay a new €200 charge to local authorities.

The new tax applies to homes which are not the full-time residence of the owner. The tax is liable on rental properties, second homes and holiday homes in the Republic. Newly constructed homes that are unsold and have never been let have been excluded from the tax. Earlier this year, the Government decided to exempt mobile home owners from the tax.

Home owners are required to go to a website [www.nppr.ie](http://www.nppr.ie) and pay with a credit or debt card. No letters will be sent informing owners that they are liable, instead responsibility lies with the owner of the property. Local authorities will also accept completed forms. There will be a period of one month's grace but a surcharge of €20 a month applies after the end of October per property.

Derek Andrews, Taxation Director with Russell Brennan Keane said "The new scheme contains various anomalies and inequities that may catch out a number of vulnerable people most of whom are unaware of their obligation to pay the new levy. A number of people traded up in 2007 and 2008 but were unable to sell their first home. The government charge will apply to these individuals who in many cases are financing two mortgages but on lower salaries. The charge also affects persons with holiday homes in Ireland whereas persons with holiday homes abroad are exempt".

The scheme provides an exemption by way of repayment for persons with two properties at the date of payment, 30<sup>th</sup> September provided that the first property is sold within six months. "With little or no movement in the resident property market, this exemption will be of very limited benefit and is out of step with recent changes in tax legislation brought in to recognise the difficulty in disposing of property" said Derek.

Both the Private Residential Tenancies Board and ESB have stated they will also share information with local authorities enabling them to identify homes liable for the tax.

If you would like to discuss in confidence, please contact Derek Andrews on 01 6440100 email [dandrews@rbk.ie](mailto:dandrews@rbk.ie).

**ENDS**

### **About RBK**

Russell Brennan Keane is one of Ireland's leading business advisory and accountancy firms. With 50 years experience providing professional advisory services to a range of clients in the mid to large corporate market in Ireland, from offices in Dublin, Athlone and Roscommon.

**Press Contact:**

Mary Cloonan

Tel: + 353 (0)90 6480600 or 086 8227228

Email: [mcloonan@rbk.ie](mailto:mcloonan@rbk.ie)

---

**RBK.ie**