

## COGENT NEWS UPDATE

### NON PRINCIPAL PRIVATE RESIDENCE (NPPR) CHARGE

#### PAYMENT DATE 30. SEPT. 2009

#### Background

As you may be aware the Local Government (Charges) Act 2009 introduced a €200 annual charge on non principal private residences, payable by the owners to the local authority in the area the property concerned is located.

#### What properties are exempted?

The charge is payable by an individual where they own a second residence. There are a number of exemptions to the charge as follows:

- A mobile home, caravan or vehicle;
- a newly constructed residential building that is unsold and has not yet been used as a dwelling, provided it forms part of the trading stock of a business;
- a residential property owned by an approved charity;
- a residential property occupied under a shared ownership arrangement with a housing authority or a building let by a housing authority, voluntary housing body or the HSE;
- a residential property held in a discretionary trust;
- a residential property occupied rent free by a relative of the owner of the property provided the said residential property is located no more than 2 km from the PPR of the owner. This would include a Granny flat and other similar residences;
- a residential premises owned by a person who lives elsewhere by reason of physical or mental incapacity;
- a building liable to commercial rates;
- where a decree of divorce or judicial separation has been granted and a spouse owns the PPR of the other spouse, then he/she will not be liable to the charge in respect of that property.

Where a building is leased to, or is the subject of an agreement with, the Health Service Executive, to be used by the Health Service Executive in the performance of its functions under the Health Act 2004, then that property is exempt.

In relation to nursing home units which form part of a nursing home development; where the nursing home has an agreement directly with the HSE regarding the property on 31st July 2009 then it is exempt from the charge for the current charging period. If however the agreement is with an individual tenant who is receiving HSE support the property would not be exempt from the charge.

### **How to register and pay?**

Where your residence falls within the charge it is necessary for you to log on to [www.nppr.ie](http://www.nppr.ie) and declare and pay your liability. You should note that this liability is due to the local council and does not form part of your income tax return. If you do not wish to register on line it is possible to request a hard copy form from the Finance Department of your local city or county council office.

The liability to pay is determined by ownership of the properties on 31<sup>st</sup> July 2009. **This is called the liability date and the charge must be paid within 2 months of that date i.e. 30<sup>th</sup> September 2009.**

A person who does not pay within this relevant 2 month period leaves themselves open to prosecution by the Local Authority to whom the payment is due.

There is a one month 'grace' period after the payment date but at the end of this grace period on 31<sup>st</sup> October 2009 a €20 late payment fee will apply to each property per month or part of a month. Furthermore both the €200 charge and any accumulated late payment fee will be a charge against the property concerned.

It is important to note that letters will not be issued by the local authority informing individuals of their liability to pay. Instead the onus is on the individual to self-register and make the payment. In order to assist local authorities in identifying homes that are liable for the tax there is provision for the sharing of information between the Private Residential Tenancies Board, the ESB and the various local authorities.

### **Tax Treatment of the charge**

Revenue and the Department of Finance have indicated that the payment of the NPPR charge for residential properties is not an allowable expense in computing taxable rental income.

We trust you find this in order but should you have any queries please contact this office.