

The logo for SOBT Ltd is contained within a large, light blue circular graphic that has a distressed, ink-splattered edge. The text 'SOBT Ltd' is written in a bold, dark blue, sans-serif font. Below it, the text 'Private Tax Client's' is written in a smaller, dark blue, sans-serif font.

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Private Tax Client's

Tax issues for Auctioneer's

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Local Property Tax (LPT)

- Liability date 1 November –deadline was extended to 10 Nov
- Next Key Date -21 March for Annual Debit Instruction. For more than one property payment method must be online
- Other Key Dates
- January 2022 - phased payments start for deduction at source and regular cash payments through a payment service provider
- 12 January 2022 - latest date for paying in full by cash or cheque
- 15 January 2022 - monthly direct debit payments start and continue on the 15th day of every month
- 21 March 2022 - deduction date for Annual Debit Instruction (ADI) payment.



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Local Property Tax (LPT)

- Problems that arose and still there ?
 - A) Clients could not find Property ID and Pin's
 - B) Some properties very hard to value, e.g. house refurb, no water , but normally high value property
 - C) Some properties coming up "Exempt" but are not now
 - D) Non Residents
 - E) Old PPS numbers with "W" at end
 - F) Deceased individuals
 - G) Changed Jobs-some find themselves in arrears where LPT was been deducted via pay



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Local Property Tax (LPT)

- Tips

- A) If client cannot find Property ID and PIN and has an accountant, then ask client to request from accountant. The PIN and ID can be accessed by the accountant on ROS via clicking

Manage Your Tax 2021

Then click

My Documents

On the left hand side , click

2022

- B) Get client to request Revenue send in post (see second slide which shows how to do)

- C) Get client to register for Revenue on Line Service (ROS)




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Your 2022 documents

- Summary
- Unread documents
- 2022
- 2021
- 2020
- 2019
- 2018
- 2017
- Archive

Document name	Tax year	Date issued ▼	
LPT 2022 Return	2022	11/09/2021	View PDF 

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Local Property Tax

This service allows you to file and/or pay your Local Property Tax and to manage any Household Charge Arrears online.

In order to fully complete your payment details, you may require the following:

- Credit / Debit Card Details
- Direct Debit - Bank Identifier Code (BIC) and International Bank Account Number (IBAN)
- Deduction from Irish Salary, Wages, Occupational Pension - Employer / Pension number
- Department of Agriculture, Food & the Marine - Herd number

[More information on Local Property Tax](#)
[More information on Household Charge arrears](#)

Login to submit returns and set up payments using the property details received on your LPT correspondence.

* Denotes a required field

1. Enter the Liable Person's PPSN / Tax Reference Number and select PPSN or Tax Type *
e.g. 1234567A PPSN
This is a required field
I do not have an Irish PPSN or Tax Reference Number

2. Enter the Unique Property ID *
e.g. 1234567AA

3. Enter the Secure PIN *
e.g. AB12AB12

Login →

Request a Property ID and PIN
Enter your PPSN/Tax Reference details at 1. above, and [click here](#) to have the Property ID/PIN issued to your MyAccount or ROS Inbox if registered for those services, alternatively it will be issued by post to the address on file for the PPSN/Tax Reference entered.

Help me with this page



Budget 2022 –Key Tax Home Points

- Pre-Letting expenses on vacant properties –extended to end of 2024
- E-work allowance -30% of Light & Heat & Internet
- Tax/Bands and Credits moved upwards slightly
- BIK Exemption on medical check ups, corona virus test, influenza tests. Must be available to all staff
- BIK Exemption on Electric Cars been phased out, €35k 2023, €20k 2024, €10k 2025
- EWSS to continue to 30 April 2022



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Budget 2022 –Warning signs on Tax Treatment of Loans

1. Finance Bill announced change in the way loans would be treated, e.g. from say parents to children
2. Free use of money –value of that gift is deemed to be determined by

Best price obtainable of borrowing an equivalent sum in the open market

=> Gift tax bills for kids

Thankfully, this change wont be implemented by the sounding of Government but it is something to plan for change



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Vacant Properties

1. Make sure to let your clients know that €5k of expenses paid out before letting commences on “vacant” properties are allowed as a tax deduction against rents

Question

- Are many clients fearful of letting vacant properties due to tenant notice requirements ?



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Owning An Investment Property

Take a look under the bonnet !

1. Tax Leakage on owning an Investment Property
2. Cost of finance on debt
3. How much is debt reducing per annum
4. Any hassle
5. Affordability
6. Debt priority –your own house versus investment property, which debt costs more ?



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Joe's situation

1. Owns family home mortgage €400k, paying 3%
2. Investment property in Terenure, €400k, tracker mortgage, rent €1,750 per month, some expenses, mortgage €1,100 per month

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Cashflow Analysis			
		-	<u>Normal</u>
Gross Rent			21,000
Expenses			(1,779)
Mortgage Repayments			(13,200)
Tax Due before pension			(7,253)
			0
Net Rent (Deficit)			(1,233)
Yield Analysis			400,000
Gross Yield			5%
Net yield after cashflow			-0.31%

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Key Outcomes

1. The property is costing €1,233 p.a.
2. Low cost debt on investment property and debt reduction is €11k p.a. which is form of saving
3. Affordable for Joe
4. No hassle
5. Joe is happy to continue to reduce the debt and hopes the property will rise in value



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Advice for clients on buying

1. Make sure to establish tax leakage
2. Establish cost of finance
3. Establish cash flow cost of keeping property
4. Can cashflow sustain periods of vacancy (advice should be to have “rainy day” property fund)
5. Can cashflow sustain the “facelift” costs on re-letting, say €5k
6. Can cashflow sustain a “what will go wrong has gone wrong” year, e.g. new boiler, fixtures breaking
7. Make sure to keep receipts to claim expenses. Best incur expenses when let



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Advice for clients on selling

1. Can the client afford mortgage repayment with bank with no rent. Find out from bank if they will grant a moratorium or other concession
2. Establish the CGT position
3. Establish the gross to net cashflow situation

€

Sale Proceeds		
Auctioneer Fee		
Legal Fee		
Repayment of bank debt		
CGT to Revenue		
Net Cash position		

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Traps

1. Impulse buying , buy now think later
2. No figures done
3. Rent not achieved what was thought
4. Client under pressure
5. Timing

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Managing a property for a Non Resident Landlord

1. Still issues in agents managing properties, paying rent over and having no paperwork re collection agent status
2. The problem will not go away !
3. Revenue are enhancing their knowledge of non residents

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Job Done

1. You have a collection agent tax number on your file
2. You have an e-tax clearance certificate
3. You can pay over rent in normal manner

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Job NOT Done

1. You have no collection agent tax number on your file. All you have is the clients own PPS Number
2. You have been paying the rent over each month

Dangers

- A) Revenue view you as responsible and you are liable for clients tax bill
- B) Client leaves



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Seeing it half way through

You are aware your client has been living in the UK. You have emailed your client asking they appoint a collection agent but the client has not replied. Two years have gone by and you are still paying the rent over.

What should you do

You now need to consider should you withhold funds from the rent as you are liable for the clients tax. While this will not be popular with the client, Revenue allow you do this if you have not been given proof of collection agent



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Tenants who pay rent directly to landlord

1. Once the tenant becomes aware must deduct tax from gross rent
2. If tenant is PAYE, Revenue will reduce tax credits for 20% tax due
3. If subject to self assessment –Form 11-pay the tax as part of same



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Form 8-3

Significant lack of knowledge still around Forms 8-3. Revenue insist these forms must be done.

You must complete !!

1. Receives rent
2. Managed premises –watch this point
3. Receives Deposit (“other payments arising)

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Designated email for tax queries exclusive to IPAV members

taxqueries@ipav.ie

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