



## **VAT rate change & NPPR deadline**

### ***VAT rate change***

The Finance (No.2) Bill 2011 introduced the measures outlined in the Jobs Initiative announced by the Minister for Finance. Included in these measures is a new reduced VAT rate of 9% which will apply from 1<sup>st</sup> July 2011. This new reduced rate of VAT is primarily aimed at the tourism sector where it is hoped that the reduced rate of VAT will make Ireland a more attractive location for tourism. Whilst this new reduced rate is aimed at the tourism sector it will also benefit many domestic businesses.

This new rate of VAT will apply to the following goods and services:

- the supply of food and drink (excluding alcohol and soft drinks) in the course of catering or by means of a vending machine
- hot take-away food and hot drinks
- hotel lettings, including guesthouses, caravan parks, camping sites etc
- admissions to cinemas, theatres, certain musical performances, museums, art gallery exhibitions
- amusement services of the kind normally supplied in fairgrounds or amusement park services
- the provision of facilities for taking part in sporting activities by a person other than a non-profit making organisation
- printed matter e.g. newspapers, brochures, leaflets, programmes, maps, catalogues, printed music (excluding books)
- hairdressing services (note: beauty treatments e.g. facials, massages, tanning or sun bed services etc., remain liable at the 13.5% rate).

### ***NPPR charge***

The Non Principal Private Residence (NPPR) charge for 2011 is payable on or before 30<sup>th</sup> June 2011.

The local Government (Charges) Act 2009 introduced the annual charge of €200 for owners of residential property. The charge is payable by the owner of the property to the local authority in whose area the property concerned is located. The 2011 charge is payable by those who owned any such property on the 31 March 2011.

The charge must be paid by 30 June next to avoid late payment fees. Payment of the €200 charge can be made online at [www.nppr.ie](http://www.nppr.ie) . In addition to paying the charge a declaration must be completed online. Details to be provided include name, address of the property, correspondence address and PPS number or tax reference number where the owner of the property is a company. Alternatively a registration form can be downloaded from the site. Local Authorities will accept completed NPPR registration forms.

The main types of residential property that are liable to the charge are private rented property, vacant property and holiday homes. However, there are a number of exemptions including:

- An individual's sole or main residence
- Certain heritage buildings
- A building forming part of trading stock of a business which has not been previously let or used as a dwelling
- Local Authority/certain social housing
- A mobile home

Where property is owned jointly liability falls on all co-owners but payment by any one co-owner discharges the liability of all co-owners.

Further information together with frequently asked questions can be found on the website [www.nppr.ie](http://www.nppr.ie) .

It is important to note that this charge is separate to a landlord's requirement to keep residential tenancies registered with the Private Residential Tenancies Board (PRTB). The registration of all residential tenancies with the PRTB is essential as you can only claim interest relief on residential properties where all tenancies are registered in each tax year.

Further information together with frequently asked questions can be found on the website [www.prtb.ie](http://www.prtb.ie) .