



The Budget 2014 provides for a Home Renovation Incentive Scheme which will run from 1st January 2014 to 31st December 2015.

The Scheme provides for tax relief for homeowners by way of a tax credit at 13.5% of qualifying expenditure on repair, renovation or improvement work carried out on a principal private residence.

- Qualifying expenditure is expenditure subject to the 13.5% VAT rate.
- The work must cost a minimum of €5,000 (exclusive of VAT) which would attract a credit of €675.
- Where the cost of the work exceeds €30,000 (exclusive of VAT), a maximum credit of €4,050 will apply. The credit is payable over the two years following the year in which the work is carried out.
- The work must commence on or after 1 January 2014 and be carried out during 2014 or 2015.
- Homeowners must be LPT compliant in order to qualify under the Scheme while building contractors must be tax compliant in order to carry out works.

The Scheme will be administered through Revenue's online systems. Further information is available on the Revenue website (<http://www.revenue.ie>).

The following information is based on details announced in the Budget on 15 October 2013 and is subject to the enactment of forthcoming Finance (No. 2) Bill 2013.

What is the Home Renovation Incentive Scheme?

The Home Renovation Incentive Scheme provides for a tax credit for homeowners on repair, renovation or improvement work to a principal private residence.

Is there a minimum and maximum amount for the repair, renovation or improvement work?

Qualifying work must cost a minimum of €5,000 excluding VAT (or €5,675 including VAT). While there is no upper limit on the cost of work, the maximum tax credit (see below) is linked to qualifying expenditure on work costing €30,000 excluding VAT.

Is there a minimum and maximum tax credit?

The minimum tax credit is €675 (based on qualifying expenditure of €5,000 (excluding VAT) x 13.5%) and the maximum is €4,050 (based on qualifying expenditure of €30,000 (excluding VAT) x 13.5%). The tax credit is non refundable so any unused tax credit will roll forward to the next year. The tax credit is payable over the two years following the year in which the work is carried out.

When does the Scheme begin and how long will it last? The scheme applies to repair, renovation or improvement work commenced on or after 1 January 2014 and carried out during 2014 or 2015.

What type of work is covered? Repair, renovation or improvement work to a principal private residence, which is subject to VAT at 13.5%, is covered. Items such as furniture, white goods and carpets are not covered.

Will the value of my Property for LPT purposes change as a result of the repair or improvement work? No. The valuation of your property for LPT purposes on 1 May 2013 will stay the same for 2013, 2014, 2015 and 2016 no matter what improvements you make to your property.

If the Owner doesn't pay tax, can someone else pay for the work and claim the tax credit? No. The tax credit is only available to the owner occupier.

Who is eligible under the Scheme?

- Owner occupiers of a principal private residence who are tax compliant are eligible. Specifically, the homeowner's LPT and Household Charge must be up to date
- Building Contractors who are tax compliant are eligible to carry out work under the scheme.

At what stage can I claim the tax credit? The tax credit can be claimed after the work is completed.

How will I claim a tax credit under the Scheme? The scheme will operate through Revenue's online systems of ROS, eRCT, PAYE Anytime, LPT online.

What will I have to do? Building Contractor of You should ensure that you are fully tax compliant Homeowner of You should ensure that your tax and specifically your LPT and Household Charge are up to date.

If you would like more information or would like to discuss any other areas of interest, please contact us on :

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Please note that the above is intended to be a general guide to the various issues only and further advice should be obtained before taking, or refraining from taking, any action. This leaflet is intended to be informative and issues are condensed in the interest of clarity and brevity, and a more comprehensive examination of the issues is outside the scope