



Collection Tax Administration Liaison Committee (TALC)

AN INTRODUCTION TO VACANT HOMES TAX (VHT)

Katie Clair
20 June 2023

Section 1: VHT Overview

Topics



Section 1: VHT Overview

1. Background
2. What is Vacant Homes Tax?

1. Background



Section 1: VHT Overview

- 27 September 2022 – Vacant Homes Tax announced as part of Budget 2023
- December 2022 – VHT signed into law Section 96 of Finance Act 2022
- Housing for All Strategy – “Ireland’s housing system is not meeting the needs of enough of our people”
- The efficient use of existing housing stock
- Yield generating tax v. Behaviour changing tax

2. What is Vacant Homes Tax?

- VHT is an **annual tax**
- Self-Assessed
- It applies to **residential properties** – same definition as LPT
- It is charged at 3 times the **basic rate** of LPT
- It applies where the property is **in use as a dwelling for less than 30 days** in a 12-month chargeable period (1/11/22 – 31/10/23)



Vacant Homes Tax

Section 2: What you need to do– The 6 Steps

Step 1: Check if the property is a residential property for LPT

- VHT applies to properties that are residential properties for LPT purposes.

A residential property is liable for LPT if it is:

- occupied as a dwelling, even if it is in bad condition

or

- not occupied but is suitable for use as a dwelling.

Relevant Residential Properties for LPT: Properties that are “in use as, or suitable for use as a dwelling”



Step 2: Check if VHT applies to the property

- Even if your property was in use as a dwelling for less than 30 days, VHT will **not apply** if the property was
 - sold in the chargeable period (1/11/22 – 31/10/23)
 - subject to a qualifying tenancy
- or**
- [exempt from LPT](#) for 2023.



Step 3: Check how long the property was in use

- VHT applies where the property is in use for less than 30 days in a 12 month period (the chargeable period).
- The first chargeable period
1 November 2022 to 31 October 2023
i.e. VHT applies to properties in use as a dwelling for less than 30 days between 1/11/22 and 31/10/23
- You are required to look back over the previous 12 months
- Return filing date **7 November 2023**



Recap

- ✓ **Step 1** The property is a relevant residential property
- ✓ **Step 2**
 - ✓ It did not change ownership during the chargeable period
 - ✓ It is not subject to a qualifying tenancy
 - ✓ It is not exempt to LPT
- ✓ **Step 3** The property was in use as a dwelling for less than 30 days

PROPERTY MUST BE INCLUDED ON THE VHT RETURN

Step 4: Check if a VHT exemption applies

Reminder: If an LPT exemption applies to the property, the property should not be on the VHT Return.

- There are 6 VHT exemptions
 1. Properties that underwent structural works
 2. Properties actively marketed for sale or rent
 3. Properties where the owner has died
 4. Properties unoccupied due to the illness of the owner
 5. Properties where a Grant of Representation was issued
 6. Properties subject to certain Court Orders

Step 4: Check if a VHT exemption applies

Exemption: Properties undergoing structural works

This exemption applies only if the:

- works were carried out for 6 months or more in the chargeable period
- and**
- one of the below conditions is satisfied.

Condition 1

- a registered professional certifies that occupation would have posed a threat to health and safety of occupants
- and**
- If planning permission was required, you must have obtained it before the commencement of the works.

Condition 2

- the work costs exceeded 20 per cent of the property's market value before the works commenced

Step 4: Check if a VHT exemption applies

Exemption: Properties undergoing structural works



Step 4: Exemption – Actively Marketed for Sale or Rent

Actively marketed means a **genuine and sustained effort** was made to promote the property for sale/rent to potential buyers



Step 5: Submit a VHT Return

VHT
Return

- Filing Deadline **7 November 2023**



Step 6: Set up your Payment Arrangement

As part of filing your VHT Return, you may have claimed a VHT exemption. In that case, you will not have a liability and are not required to carry out Step 6.

- Payment of VHT is available by
- Monthly Direct Debit or
- Annual Debit Instruction (ADI)
- Debit/Credit card

Payment for ADI will be deducted 21 March 2024

✓ **Step 1** The property is a relevant residential property

Step 2

- ✓
- ✓ It did not change ownership during the chargeable period
 - ✓ It is not subject to a qualifying tenancy
 - ✓ It is not exempt to LPT

Step 3 The property was in use as a dwelling for less than 30 days

PROPERTY MUST BE INCLUDED ON THE VHT RETURN

✓ **Step 4** Check if a VHT exemption applies

✓ **Step 5** Submit Return

✓ **Step 6** Set up payment arrangement

