

Taxation News

New 10% stamp duty on cumulative purchase of 10 or more houses

The Government recently presented a financial resolution to the Dáil that increases the rate of stamp duty applicable to the bulk purchase of residential units in Ireland. The resolution was passed by the Dáil without a vote.

The resolution inserts a new Section 31E in the Stamp Duty Consolidation Act 1999 to provide for a 10 percent stamp duty charge on the multiple purchase of 10 or more residential houses on a cumulative basis over a 12-month period.

The new section applies to acquisitions of houses on or after 20th May 2021. On the advice of the Attorney General's office, there is a requirement for a 3-month transition period for execution of contracts that have been entered into but not completed prior to the commencement of the Financial Resolution.

The higher stamp duty charge takes effect once a 10th property is purchased in a 12-month period and will apply to all houses acquired in that period, including the first nine houses. Units purchased before the resolution was commenced are counted towards triggering the 10-house threshold and the higher stamp duty rate will apply to those houses bought after the commencement of the resolution.

Apartments are fully exempt from this higher stamp duty as are multiple purchases by Local Authorities, Approved Housing Bodies.

Source: www.gov.ie

Facility for employers to pay employee's TWSS tax extended

The June deadline for employers who wish to pay their employee's Temporary Wage Subsidy Scheme (TWSS) tax liability, without the imposition of a BIK charge, has been extended to September 2021.

The extension follows representations made by the Consultative Committee of Accountancy Bodies – Ireland (CCAB-I), on foot of member's feedback, to the Revenue Commissioners in March 2021.

The Revenue Commissioners recently issued eBrief 97/21 confirming that the concessional BIK treatment facilitating employers who wish to pay the 2020 income tax and USC liabilities of their employees arising from the TWSS now

applies until the end of September 2021.

The eBrief also confirms that:

- The concession also applies where an employer pays the tax and USC liabilities of an employee who is a self-assessed taxpayer or, in joint assessed cases, if the employee's spouse is self-assessed.
- The concession also applies where an employer pays the tax and USC liabilities of a proprietary director(s) in the company, provided that the employer pays the TWSS related liabilities of all employees in the company.

The relevant pages of the Revenue website have been updated to reflect this and provide further information on the offset of direct TWSS payments.

Source: www.revenue.ie

European Commission publishes 2021 Annual Report on Taxation

The European Commission has recently published its 2021 Annual Report on Taxation examining how EU Member States' tax systems help achieve the EU Commission's priorities. Overall, the report found that annual tax revenue in the EU was stable in 2019 across member states. The average tax burden on labour and corporate income tax continued its slight downward trend.

Member States have continued to introduce new tax measures to support innovation and productivity, address the corporate debt bias, and reduce the time it takes to comply with taxes.

The report highlights that while environmental taxation can be a useful policy tool to help accomplish climate and environmental policy goals, it remains underused in many Member States. Several EU Member States have raised their health taxes, including on tobacco, alcohol and soft drinks, in recent years to improve public health.

The report also notes that in response to Covid-19 Member States and the EU were quick to react with an unprecedented scope of measures, including tax measures and direct support for households, businesses and the health sector. To read more and to access the report please visit www.op.europa.eu.

Source: www.op.europa.eu

New ePSWT system now live

The Finance Act 2020 provided for changes to the operation of Professional Services Withholding Tax (PSWT). From 1st July 2021 the new online ePSWT system came into operation to facilitate these changes.

The new online ePSWT system means the cessation of the use of the F45 and F43 forms and the introduction

of electronic payment notifications through the Revenue Online Service (ROS). Further information and guidance on the implementation of ePSWT can be obtained in a new Tax and Duty Manual Part 18-01-05A recently issued by the Revenue Commissioners.

Source: www.revenue.ie