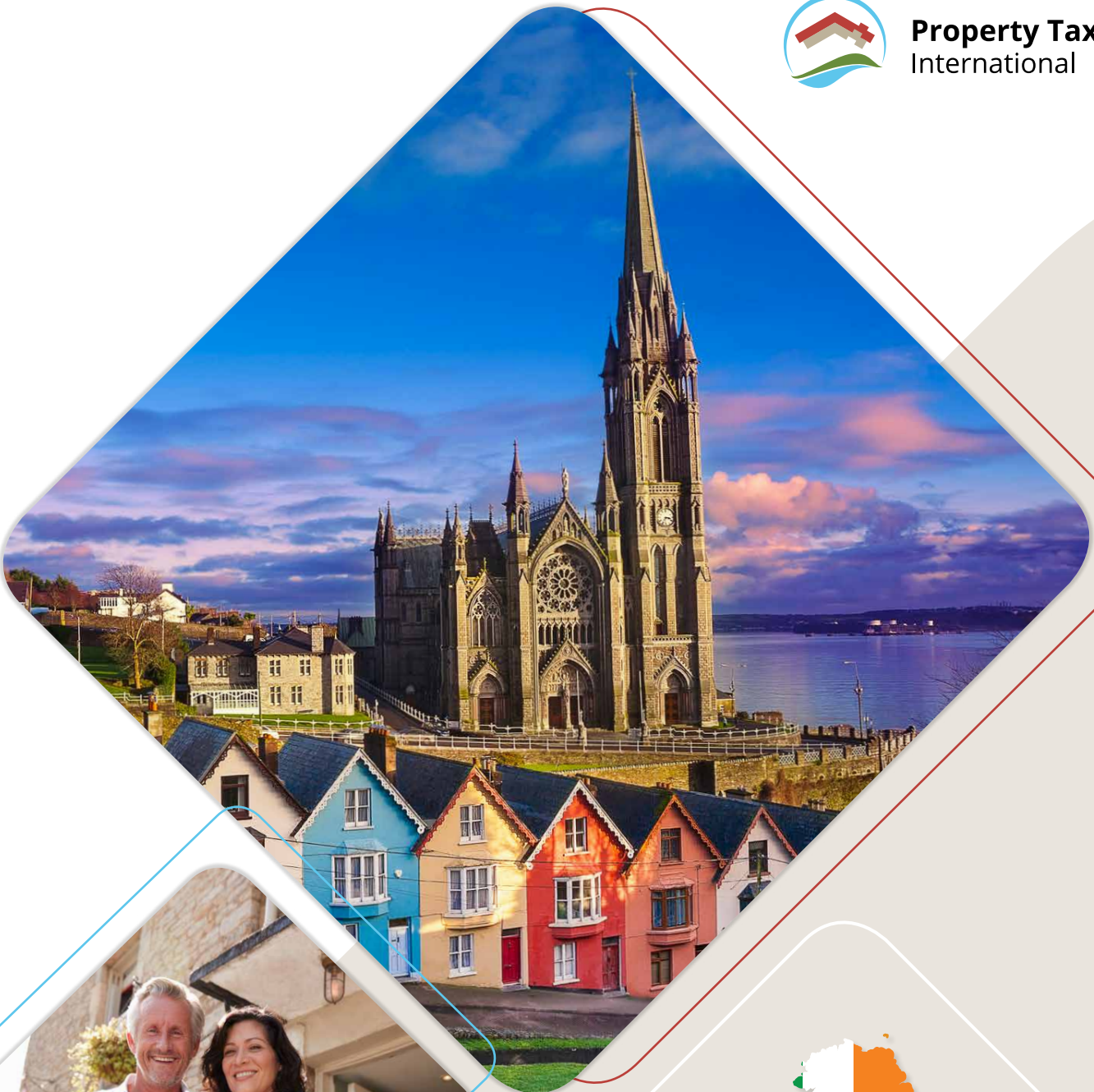




**Property Tax**  
International



# **THE ULTIMATE TAX GUIDE** FOR LANDLORDS WITH PROPERTY IN IRELAND



Got a property to rent out in Ireland but worried about the responsibilities of being a landlord?

Property taxes can be a complicated business, especially if you are a new homeowner.

While thinking about getting your real estate ready to rent it out, managing the rental process, and choosing the right tenant, it's too easy to forget about tax.

Understanding your Irish property tax liabilities, which expenses you can claim, and everything else that landlords have to think about can be intimidating.

That's where this guide comes in. We will answer key questions about Irish tax that every property owner needs to know.

**Property Tax International (PTI Returns) can help you file your Irish property tax returns, claim your eligible property expenses, and save on property taxes.**

You cannot avoid property taxes but you can save time, stress, and money with our help.

We are here to serve you.

[Contact PTI Returns today for a free no-obligation consultation](#)



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# I am renting out my property in Ireland. What are my property tax obligations and what should I do about tax?

You will have to pay Irish property tax on your rental profit. This is determined by subtracting all tax-deductible expenses from the gross rent. The rental profit is added to your other income and taxed at your top tax rate.

You must declare your rental income to Revenue using one of the following methods:

- **Self-assessed taxpayers should use Form 11 to report their income**
- **For PAYE employees, use Form 12**

You will also have to register your property's letting with the **PRTB (*Private Residential Tenancies Board*)**. This is a legal requirement that is crucial for tax purposes.

If you are receiving mortgage interest tax relief at source (MITRS) on your mortgage, it is important to contact Revenue and request to cancel it. When renting out your home, you are not eligible for MITRS.

Also, make a list of all the furniture, including how much it costs and when you purchased them.

You should keep receipts for all expenses spent while renting out the home, such as – fees for letting agents, fees for services, the registration cost for the PRTB, costs of repairs, mortgage interest certificates, and advertising.

**Property Tax International (PTI Returns) can help you file your Irish property tax returns, claim your eligible property expenses, and save on property taxes.**

[FILE YOUR IRISH PROPERTY TAX RETURN with PTI Returns](#)





## What is the tax rate of the rental income in Ireland?

On earnings up to the standard cut-off rate\*, usually, you must pay 20% tax. Income earned after this cut-off point is taxed at 40%.

**⚠ In addition, you must pay PRSI and USC.**

\*What is the standard cut-off rate? Simply put, the standard rate cut-off point is the amount of income you can earn where you will pay tax at the lower rate of 20%. Earnings over this amount are taxed at 40%.

## What are the PRSI and USC rates on rental income?

If you are an Irish tax resident, you will be liable for PRSI (Pay Related Social Insurance) of 4% on your rental income profit.

**⚠ Non-residents are not liable for PRSI.**

Depending on your other income, the rates of USC (Universal Social Charge) are between 0.5% - 8%, and the USC is due for payment with your annual Irish rental income tax return in October.

# TAX TIME



## Is the rental deposit in Ireland subject to taxation as well?

Generally, landlords do not report rental income deposits on their Irish property tax declaration.

You also cannot claim this money as a tax credit if you use it to pay for repairs or other deductible expenses.

## If I owe any tax on rental income, when should I pay it?

If the earnings from renting out your property are your main source of income and you are self-employed, then **you must pay your tax in October, once a year.**

The **deadline for filing** and completing your Irish property tax return is 31 October each year.

In some cases, if the amount of tax you owe is not large (does not exceed €5,000) and PAYE is your main income, the tax you owe may be collected through the PAYE system. You should complete a **Form 12** tax return by 31 October.

**Property Tax International (PTI Returns)** can help you file your Irish property tax returns. You won't have to worry about Irish tax deadlines anymore. It's our responsibility.

[SEE OUR IRISH PROPERTY TAX SOLUTIONS](#)

# Which form should I file if my Irish rental income exceeds €5,000?

If your net rental income exceeds €5,000 (or your gross rental income is over €30,000), you must file an Irish self-assessment tax return and complete **Form 11**.

If you are a non-resident landlord and your tenant pays you directly, they are required to deduct tax at the usual rate (20%) from the rent and report it to [Revenue](#).


For the tax deducted by your tenant, you are entitled to a credit. You must submit **Form R185** with your **Irish self-assessment tax return** to claim this.

## How can I save from property taxes? What expenses can landlords in Ireland claim?

Some of the allowable expenses can be:

- Maintenance and repair expenses
- Utilities and other service charges
- RTB (*Residential Tenancy Board, formerly known as PRTB - Private Residential Tenancy Board*) registration fees
- Advertising costs and estate agent fees
- Wear and tear
- Capital allowances on furniture and fittings
- Insurance premiums
- Management Fees
- Mortgage Interest
- Certain Mortgage Protection Policy Premiums
- Expenses between lettings in certain circumstances
- Certain pre-letting expenses on vacant premises
- Accounting and Legal Fees



 You must provide **proof and receipts** for each deduction that you would like to claim on your Irish property tax declaration.

Got questions? [Request a callback from a tax expert](#)



## Should I be RTB / PRTB registered?

Yes. Within one month of the tenancy's start date, all landlords must register the new tenancy.

On your Irish income tax return, you can claim the full amount of both the initial fee and the sum you paid per tenant as an allowable expense against your rental income.

Some expenses can only be deducted if you're registered with the RTB.

You can **get a refund** for both the initial fee and the amount you paid per tenant if you register with the PRTB

## Which expenses cannot be claimed?

Some of the costs you cannot claim include:

- Costs prior to and after the rental of the property (***post-letting expenses***)
- **Local property tax (LPT)**
- **Costs** for your own labor when **maintaining the real estate**
- **Stamp Duty** (It is a tax that must be paid when you buy a home. This expense is not deductible. Any legal aid you obtain in respect to Stamp Duty, on the other hand, is tax-deductible)
- Interest from the time you buy the property until it is rented out for the first time



## How can I claim my rental expenses?

You must fill out Form 11 or 12 (depending on your personal circumstances) to claim your expenses.

As mentioned above, it's very important to organize and keep all the receipts and invoices relating to the rental expenses.

A tax expert from PTI Returns can help you with all the tax documentation.

## I am renting out an Airbnb property. Do I have to pay real estate tax in Ireland?

Yes, you should be declaring your Airbnb rental income, and the room exemption (Rent-a-room relief) cannot be applied in this case.

However, there are several expenses that you can deduct from your Airbnb earnings to **lower your tax liability**.

Some of them are:

- Repairs and maintenance
- Agent fees
- Utilities
- Local Service Charges
- Advertising
- Insurance
- Mortgage interest etc.

To claim a tax deduction, make sure you keep all your receipts and track your expenses.

A tax expert from PTI Returns can help you with all this.

## What is the Rent-a-room relief in Ireland?

If you are renting out a room or several rooms in your own house, you can claim the **Rent-a-room relief** and through this scheme, you can earn **up to €14,000 tax-free**. However, if your income exceeds this exemption limit, you must pay tax on your earnings.

⚠️ If you claim this relief, you cannot deduct expenses from your rental revenue.

## What conditions must be met to qualify for this relief?

- your gross income should be below the exemption limit
- there must be a minimum letting period (with some exceptions) - 28 consecutive days
- the room should be in a “qualifying residence”

## Can I avail of the Rent-a-room relief if I don't own the property?

Yes, it's not necessary that you are the owner of the property. If your landlord allows you to sublet a room, you can take advantage of the relief.





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## Can I claim for rental expenses and Rent-a-room relief simultaneously?

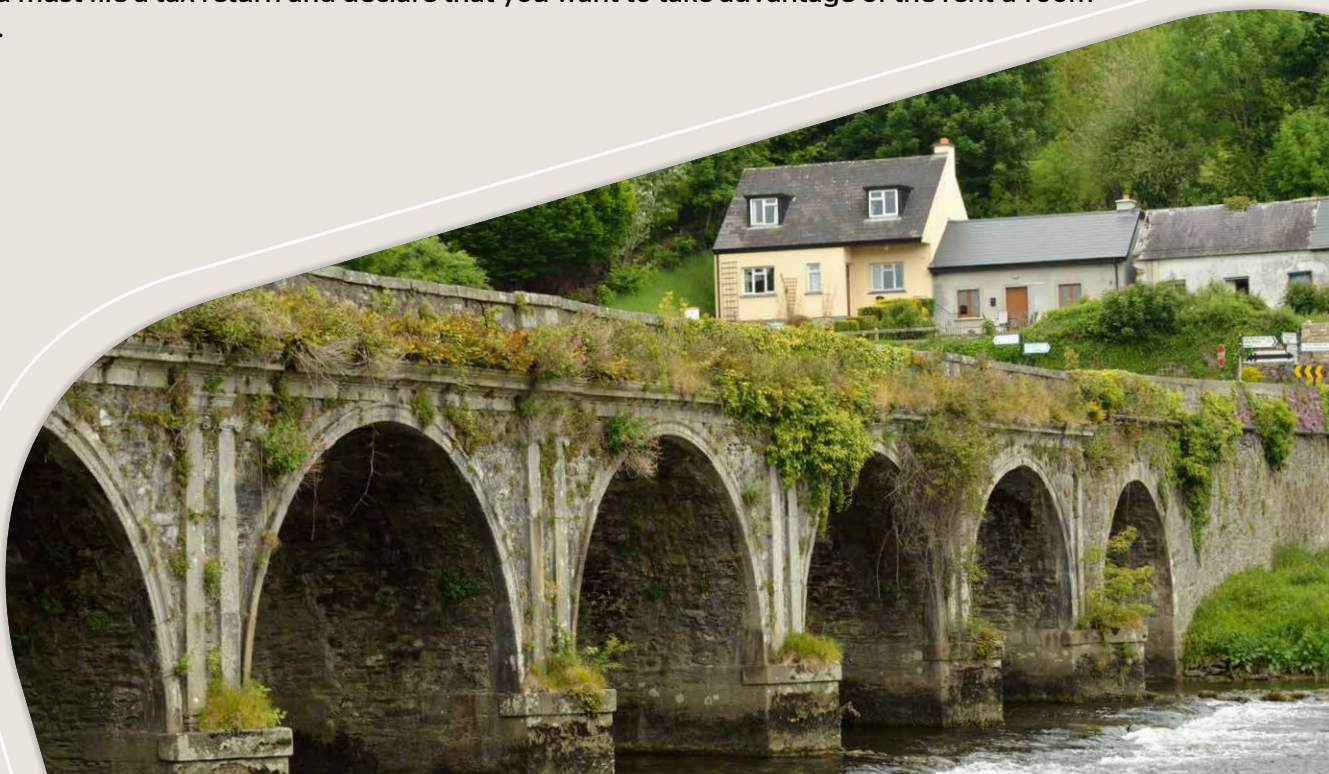
**No**, when claiming rent-a-room relief, you can't deduct expenses from your rental income.

**In order to offset expenses** against rental income and take advantage of wear and tear allowances, it may be worthwhile to opt out of the rent-a-room scheme in a given year.

**To opt-out of rent-a-room relief** in a given tax year, you must notify Revenue in writing on or before the due date for that tax year's return. You can opt-out by checking the appropriate box in the 'Exempt Income' section of your annual tax return.

## Do I have to file a tax return in order to get rent-a-room relief?

**Yes**. You must file a tax return and declare that you want to take advantage of the rent-a-room benefit.





## Do I have to pay real estate tax on my Irish rental income if I'm a non-resident landlord?

Yes. If you live abroad but you have real estate in Ireland that you rent out, you should **declare your rental income** and you have several options:

- Your tenant pays 80% of the rent to you and 20% to the local tax office. Then at the end of the tax year, the tenant should complete a form which you can submit to the Irish Revenue Commissioners as proof of the paid tax (If you do not owe tax to Revenue, you will get a refund for the tax collected by the tenant. Non-resident landlords must maintain their tax returns to the Irish Revenue up to date for this reason.)
- You can find a resident in Ireland to file your taxes on your behalf
- You can choose a [professional tax agent](#) like **PTI Returns** with 25+ years of experience in international tax and with our help, you can file your tax return online and claim your Irish tax refund.

## What about the international tax relief agreements between Ireland and other countries?

**Over 70 countries have tax treaties with Ireland.** These Double Taxation Agreements ensure that income that has already been taxed in one country is not taxed in another.

A tax credit or exemption from tax may be available on certain types of income under a tax treaty, in either:

- your home country
- or
- in the country where you earned the income



## What are the changes for UK resident landlords of Irish properties after Brexit?

After Brexit, most UK resident landlords in Ireland will be subjected to the 20% standard rate of tax.

## What are the US tax obligations for owners of Irish properties?

You must continue to file US expat taxes if you are a US citizen with property in Ireland.

On your US expat tax return, you must list all worldwide revenue, including income that is taxed in Ireland.

**There are tax credits and deductions** related to income earned in Ireland that may decrease your US taxes.

**PTI Returns** can help you determine which deductions you are eligible for and file online your tax returns in Ireland and the USA.

### **Got questions?**

[Contact Property Tax International today for a free no-obligation consultation](#)

## What are capital allowances?

If you have paid for equipment, furniture, or white goods for your rental real estate, you may be able to claim these as Capital allowances. For the time being, **this allowance is 12.5% of the cost over 8 years.**

**Example:** Assume you spent €1,000 on a new refrigerator for your kitchen. You can now claim capital allowances of €125 each year for the next 8 years.

## What is LPT in Ireland?

LPT is the **Annual Property Tax in Ireland** and is charged on residential properties. The LPT is a **self-assessment tax**, which means you calculate the tax due based on your own estimation of the property's market worth.

Revenue does not evaluate properties for LPT purposes, but it can help you determine how much your property is worth.

## Do I have to pay LPT?

⚠️ **Property owners cannot avoid paying LPT**, and Revenue has made it clear that those who do not will be pursued and penalized.

## When should I pay LPT?

**Your LPT is due by the 1st of January each year.** The deadline for payment by Single Debit Authority (i.e. paying everything at once) is **March 21st**.

⚠️ **You will be charged a 10% surcharge on your income tax return if you do not file and pay your LPT before your income tax return.**



# What is CGT?

**Capital Gains Tax (CGT)** in Ireland is a tax imposed on the profit (capital gain) made on the sale of any asset. The current CGT rate is 33%, and it is paid by the individual who disposes of the property.

The gain (the difference between the amount you bought for the asset and the price you sold it for) is taxable.

The standard rate of **Capital Gains Tax is 33%** of the chargeable profit you make.

**PTI** can help you guarantee that your CTG tax return accounts for **all deductible expenses to lower your CGT burden**, or, more importantly, if you have a CGT loss, we can ensure that it is filed and available to be used against future gains.

## Should I file a rental property tax return in Ireland?

Yes, you are obliged to file a rental property tax return if you earn any money from your real estate unless it's through the Rent-a-room scheme and you live in the house as well.

## What about taxes on rent from foreign properties outside the Republic of Ireland?

If you are an Irish resident with properties abroad, your rents will be taxed on the same basis as Irish properties.

You will have to pay tax on the rental profit, which is determined by deducting all tax allowable expenses from your gross rent.

**If you own real estate in different countries**, you should know that all foreign properties are lumped together regardless of where they are.

**If you have a rental loss on a foreign property**, you can only offset it with future rental earnings on the same property. They cannot be deducted from rental income earned in Ireland.



## How long should I keep records of my rents and expenses for Revenue?

You should keep records at least for **the last 6 tax years**.

## What will Revenue look for if I am audited?

They'll require copies of your leases, all of your receipts, proof of your PRTB registrations, and copies of your bank statements and rental accounts.

## How can I file a rental property tax return online and claim my tax refund?

**⚠️** Property owners cannot avoid paying LPT, and Revenue has made it clear that those who do not will be pursued and penalized.

## When should I pay LPT?

You can file your tax return yourself.

However, managing your tax papers on your own might be very tough. And you will be fully responsible for ensuring that you receive all of the tax benefits and credits to which you are entitled.

Alternatively, if you would like assistance, you could use the services of accountants specializing in property.

Are you looking for a property tax specialist near you? We are here!



**Property Tax International (PTI Returns) can help you file your self-assessment tax return online and claim your refund, no matter if you are an Irish resident or non-resident.**

**Why choose PTI Returns?**

**Save time and stress** - Our property tax specialists will handle all the tricky tax paperwork.

**Peace of mind - PTI Returns is part of Clunetech.** We have more than 25 years of experience in international tax, and we will keep you compliant with Revenue.

**Convenient service** - Our service is online and we will transfer your tax refund straight to your bank account anywhere in the world.

**Your questions answered** - If you have any questions that we did not answer, you can request a free callback from our tax experts at +353 1 635 3722.

**You cannot avoid property taxes but you can save time, stress, and money with our help.**

**We are here to serve you.**

**[Contact Property Tax International today for a free no-obligation consultation](#)**





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### **Contact Us**

Phone: **+353 1 635 3722**

Email: [\*\*info@ptireturns.com\*\*](mailto:info@ptireturns.com)

