

Tax Relief for Service Charges

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Introduction

Income tax relief is available for individuals who pay service charges to local authorities and other independent contractors. Relief is given for service charges paid in full and on time in the previous calendar year.

From 1 January 2012 tax relief will no longer be available for service charges paid. The abolition of this relief was announced by the Minister for Finance in his 2010 Budget Speech on 9 December 2009.

Service Charges which qualify for relief

All service charges paid to:

- ◆ Local authorities for the provision of **domestic** water supply, **domestic** refuse collection or disposal, or **domestic** sewage disposal
- ◆ Group water schemes for **domestic** water supply
- ◆ Independent contractors for **domestic** refuse collection or disposal.

Individuals who qualify for relief

- ◆ An individual (or his/her spouse, if taxed jointly) who is liable for and pays the service charge on a premises will qualify for relief
- or**
- ◆ An individual (e.g. a son or daughter living with an elderly parent) who pays the service charge and lives on a full time basis in that premises may qualify for the relief. In such a case the claim form attached to this leaflet should be submitted with the disclaimer section completed by the liable individual (e.g. the elderly parent).

Amount of tax relief

Tax relief is given at the standard rate of tax for any service charges paid (including the purchase of “Bin Tags”) in the previous year. For example if an individual paid service charges of €240 in 2009 they will be entitled to a tax credit of €48 in 2010 (i.e. $€240 \times 20\% = €48$).

The limits set out below will apply to the amount of relief that can be claimed in respect of the following periods:

Tax year 2012 and subsequent years

From 1 January 2012 tax relief will no longer be available for service charges paid.

Tax years 2007 to 2011 (for amounts paid in 2006 to 2010)

- ◆ The total tax relief that can be claimed for both **fixed charge** payments made (including lift charges and pay by weight) and bin tags purchased, from 2006 to 2010 are subject to an overall limit of €400

Tax years 2006 (for amounts paid in 2005)

- ◆ Where Local Authority **fixed charge** exceeds €400 in 2005 then the full amount of that fixed charge will be allowed.
- ◆ Relief claimed in respect of **bin tags** purchased in 2005 will be the lesser of the amount paid in 2005 or €400.
- ◆ Where an individual purchased **bin tags** and made **fixed charge** payments of less than €400 in 2005, a limit of €400 will apply in respect of the **total** amount paid on both.

Conditions for relief in respect of Local Authority service charges

- ◆ All service charges on the premises to which the service charge relates must be paid in full and on time for the previous calendar year
and
- ◆ Arrears from earlier years must be cleared in accordance with local authority conditions.

Conditions in respect of Non Local Authority service charges

The service charge(s) in question must be paid in full and on time and any service charges due to a local authority must also be paid in accordance with the above conditions. For example, if an individual wishes to claim for a specific annual payment to an independent contractor for domestic refuse collection, any charges due for other domestic services provided by the local authority must be paid in accordance with the conditions outlined in the previous paragraph.

How to claim tax relief

This relief can be claimed in a number of different ways.

- ◆ **Internet** - You can claim over the Internet using our **PAYE Anytime** service. For further details visit www.revenue.ie
- ◆ **Text Message** - Text CREDIT **PPS-number PIN BIN YOUR BIN charge** to 51829
(The PIN requested is the number used to access PAYE Anytime).
For example, if your PPS number is 1234567A, your PIN is 654321 and you paid €200 for bin charges, to claim the tax credit simply text:
CREDIT 1234567A 654321 BIN 200 to 51829
- ◆ **Telephone** - Contact your Regional PAYE LoCall Service whose number is listed below
- ◆ **Claim Form** - Complete and submit the claim form attached to this leaflet to your Local Revenue office.

Further Information

This leaflet is for general information only. You can get further information by visiting www.revenue.ie or by phoning your Regional Revenue LoCall service whose number is listed below.

- ◆ **Border Midlands West Region** **1890 777 425**
Cavan, Monaghan, Donegal, Mayo, Galway,
Leitrim, Longford, Louth, Offaly, Roscommon,
Sligo, Westmeath
- ◆ **Dublin Region** **1890 333 425**
Dublin (City and County)
- ◆ **East & South East Region** **1890 444 425**
Carlow, Kildare, Kilkenny, Laois, Meath,
Tipperary, Waterford, Wexford, Wicklow
- ◆ **South West Region** **1890 222 425**
Clare, Cork, Kerry, Limerick

Please note that the rates charged for the use of the 1890 (LoCall) numbers may vary among different service providers.
If calling from outside the Republic of Ireland phone +353 1 702 3011.

Accessibility - If you are a person with a disability and require this leaflet in an alternative format the Revenue Access Officer can be contacted at accessofficer@revenue.ie

This leaflet is intended to describe the subject in general terms. As such, it does not attempt to cover every issue which may arise in relation to the subject. It does not purport to be a legal interpretation of the statutory provisions and consequently, responsibility cannot be accepted for any liability incurred or loss suffered as a result of relying on any matter published herein.

Revenue Commissioners
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