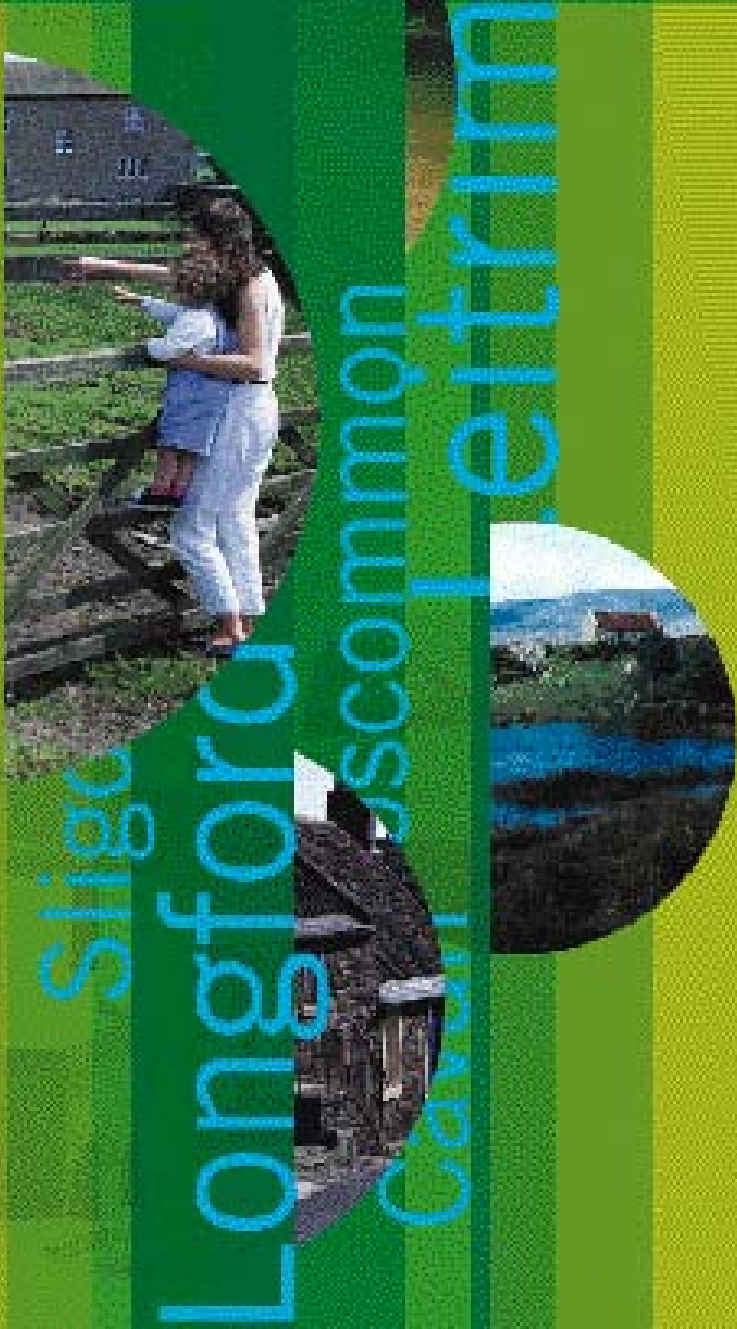


Rural Renewal Scheme

Tax Reliefs for Owner-Occupied and Rented Residential Accommodation



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RRS 1	Claim form for Owner-Occupied Accommodation Relief
RRS 2	Claim form for Rented Residential Accommodation Relief
HPF/1	Application for a Certificate of Reasonable Cost
HPF/2	Application for a Certificate of Compliance



Foreword by the Minister for Finance

I am very pleased to introduce this guide to the Rural Renewal Scheme which has been prepared by the Revenue Commissioners. While as Minister for Finance, I have to be conscious of the needs of all the regions in the State, I decided to bring in special tax incentives in the 1998 and 1999 Finance Acts targeted at the area covered by the pilot Rural Renewal Scheme. I think it would be generally accepted that this area has suffered particularly badly in the past decades in regard to social and economic conditions. I hope therefore that the residential tax incentives which are described in this booklet and the business tax incentives which I announced on 23 June last will help to improve the economic and social situation in the area over the period of this pilot Rural Renewal Scheme which is to last to 31 December 2002.

Charlie McCreevy TD
Minister for Finance

August 1999

Introduction

The Rural Renewal Scheme, which is aimed at regenerating parts of the Upper Shannon region, was first introduced in 1998. The scheme provides tax incentives for commercial and residential developments.

The commercial part of the scheme is in operation from 1 July 1999 to 31 December 2002.

The residential part of the scheme originally applied only to properties which were let. The Finance Act 1999 extended the scheme to owner-occupied houses which comply with certain specifications.

This booklet gives information on the **residential part** of the scheme. It is intended primarily for individuals who want to claim the relief. However, it is sufficiently detailed to be of use to property developers and to professionals who are advising prospective owner-occupiers or investors. Parts 1 and 2 of the booklet deal with the basics of the scheme. Part 3 deals with the calculation of the amount of the expenditure that qualifies for relief in different circumstances. Further details are included in the Appendices and application forms are enclosed at the back of the booklet.

Enquiries

Enquiries regarding taxation matters can be made to your local tax office (whose address and telephone number will be on any communication you received from that office) or by telephoning the Central Telephone Information Office at (01) 8780000.

Copies of this booklet are available from the Revenue Forms and Leaflets Service, telephone (01) 8780100.

Enquires regarding Certificates of Compliance and Certificates of Reasonable Cost should be addressed to the Department of the Environment and Local Government, Housing Grants Section, Room F9/10, Government Offices, Ballina, Co. Mayo, telephone (096) 70677.

Outline of the scheme

The scheme covers all of the counties of Leitrim and Longford as well as certain areas in counties Cavan, Roscommon and Sligo. It is based on District Electoral Divisions. The qualifying areas are listed at Appendix 1.

Two different tax reliefs are available under the scheme in respect of expenditure incurred on the construction, refurbishment and conversion of residential property located in these areas:

- **Owner-occupier relief** – where an individual is allowed the cost of all or part of the expenditure on his/her main residence as an additional tax-free allowance (see Part 1)

and

- **Rented residential accommodation relief** – where the owner is allowed deduct all or part of the expenditure on a rented house in calculating his/her rental income (see Part 2).

Meaning of terms

In this booklet:

- **Refurbishment** includes the provision or improvement of water, sewerage or heating facilities. Refurbishment work must be necessary to ensure the suitability of the house as a dwelling. This must be confirmed in the Certificate of Compliance/Certificate of Reasonable Cost.

An application for a Certificate of Compliance/Certificate of Reasonable Cost in respect of a refurbishment project should be made to the Department of the Environment and Local Government before commencement of work so that a prior inspection of the building can be carried out.

Details regarding the Certificate of Compliance and the Certificate of Reasonable Cost are provided at Appendix 2. Application forms for the certificates are provided at the back of this booklet.

- **House** includes any building or part of a building used or suitable for use as a dwelling and any out-office, yard, garden or other land usually enjoyed with that building or part of a building including a car space provided with the house. It also includes a flat or apartment.

The total floor area of the house must be within the limits set out for each relief. A house which is outside the limits will not qualify. The limits for owner-occupied houses are set out in Part 1 and for rented residential houses in Part 2.

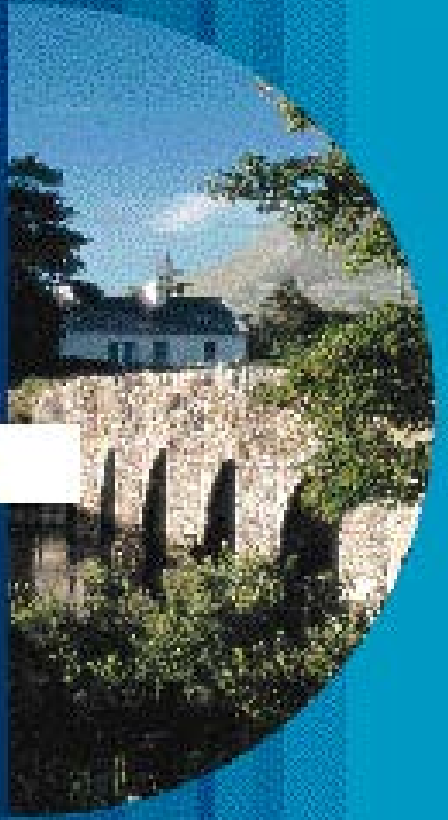
- **Qualifying expenditure** is the actual cost of the construction, refurbishment or conversion work excluding the site cost. No cost can be attributed to an individual's own labour.

Grants and other payments received directly or indirectly from the State, any board established by statute or any public or local authority are deducted in arriving at the amount of the expenditure which qualifies for relief.

Legal fees in respect of the purchase of the house and stamp duty payable on the purchase of the house do not qualify for relief.

Tax relief is not available in respect of refurbishment or conversion work unless planning permission for the work, in so far as it is required, has been granted.

1 Owner-Occupied Accommodation





Owner-Occupied Accommodation

The relief

An individual who incurs expenditure on the construction, refurbishment, conversion or purchase of his/her house, which is a qualifying house, is entitled to an additional tax-free allowance as follows:

- 5% per annum of the expenditure for 10 years in respect of new construction
- 10% per annum of the expenditure for 10 years in respect of refurbishment or conversion.

The cost of the site does not qualify for relief and, in refurbishment or conversion cases, neither does the cost of the building on which the work was carried out.

Tax relief is due **only** for work actually carried out between **6 April 1999 and 31 December 2002**. This is called the **qualifying period**.

Relief is due only where the individual first uses the house, after the expenditure has been incurred, as his/her main residence. For example, if the owner lets the house for a period and then occupies it as his/her main residence no relief is due.

Where expenditure is incurred by two or more individuals, it is apportioned on the basis of the actual expenditure incurred by each individual.

Where the individual ceases to use the house as his/her main residence or the house ceases to be a qualifying house the relief no longer applies. Any relief granted is not withdrawn. A subsequent purchaser of the house is **not** entitled to the relief.

Part 3 shows how to calculate the amount of expenditure which qualifies for tax relief.



Qualifying house

A house is a qualifying house where:

- It is first used, after the expenditure is incurred, as the main residence of the individual claiming the relief
- The site is wholly within an area specified in Appendix 1
- It is used solely as a dwelling, and
- The total floor area is not less than 38 square metres and not more than 210 square metres. Floor area calculation details are provided at Appendix 4.

How relief is granted

Tax relief is granted at the individual's highest rate of tax. It can be given either by increasing an individual's tax-free allowance during the year or by repayment of tax at the end of the tax year. Where the individual is self-employed the tax relief will be given in the annual tax assessment.

An example of the effect of the relief follows on page 10.



Example

Ms Connolly is single and her total income for 1999/2000 is 20,000. She is entitled to owner-occupier relief of 70,000 in respect of a house she had built. Her annual additional tax-free allowance is 3,500 i.e. 70,000 x 5%. (Example 1 in Part 3 shows how the relief of 70,000 is calculated.)

Tax liability 1999/2000		
Total income		20,000.00
Less owner-occupier relief		3,500.00
Taxable income		16,500.00
	14,000 @ 24%	3,360.00
	2,500 @ 46%	1,150.00
		4,510.00
<i>less credit for standard rated personal allowances</i>	5,200 @ 24%	1,248.00
Tax liability		3,262.00

How to claim the relief

Claim for the relief should be made to the individual’s tax office. Individuals who make their tax returns under self-assessment should claim the relief on their tax returns for the appropriate year. A form RRS 1 for claiming the relief is provided at the back of this booklet. Use of this form, which is not mandatory, will ensure that the relief is allowed with minimum delay.

The following documents, as appropriate, are required in support of a claim. They should be retained and forwarded to the tax office **if requested**:



- A Certificate of Compliance, in the case of a newly constructed, refurbished or converted house purchased from a builder. This is evidence that the house complies with the floor area requirements and standards for construction and improvement (see Appendix 2)
- A Certificate of Reasonable Cost where a new house is to be lived in by the person who built it or had it built (see Appendix 2)
- A Certificate of Reasonable Cost where a refurbished or converted house is to be lived in by the person who refurbished/converted it or had it refurbished/converted (see Appendix 2)
- In the case of a sale, a copy of the memorandum of agreement between the parties showing the sale price
- Where a house is constructed, a statement of the total cost of the work and the site cost. If any of the work was carried out outside the qualifying period, details of the cost of work carried out between 6 April 1999 and 31 December 2002
- Where a house is refurbished or converted, a statement of the total cost of the work, site cost of the house and the cost of the building refurbished/converted into the house. If any of the work was carried out outside the qualifying period, details of the cost of the work carried out between 6 April 1999 and 31 December 2002.

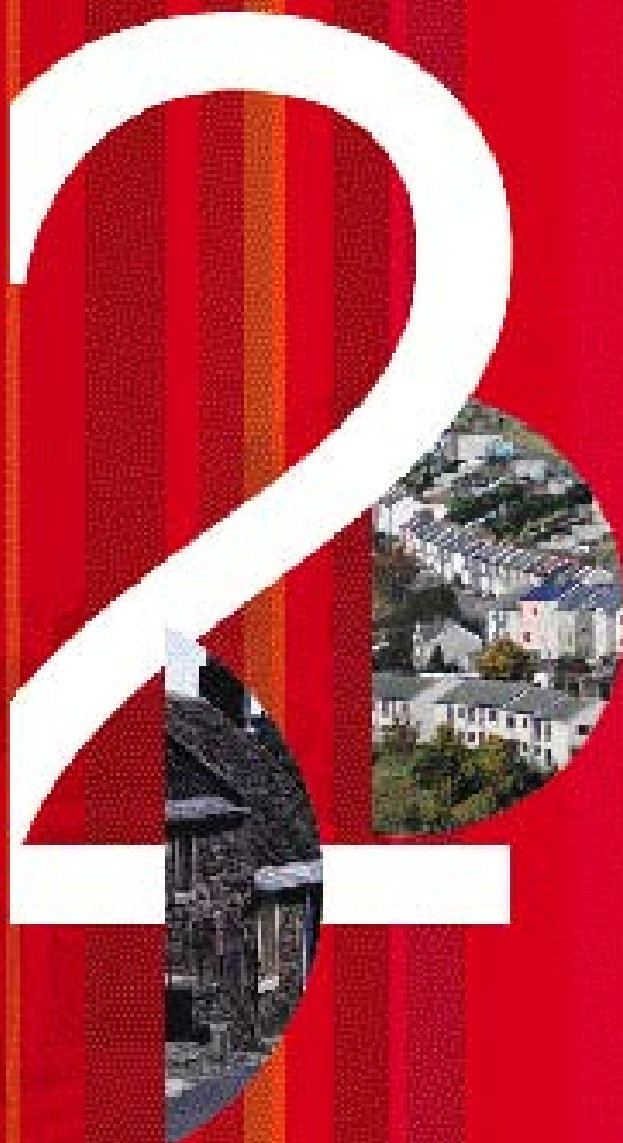
In the case of a purchase from a builder the above mentioned statements should be obtained from the builder. These statements should be obtained before the purchase is finalised as they will be required for the purposes of making a claim.

A specimen builder's statement is provided at Appendix 5.

Owner-occupation and sharing arrangements

Owner-occupiers may decide to share their house with family or friends. In such situations the owner-occupier relief continues to apply, provided that the house continues to be used by the individual as his/her main residence in the tax year involved. Any income from the sharing arrangement should, of course, be included in the owner-occupier's tax return.

Rented Residential Accommodation





Rented Residential Accommodation

The relief

Where an individual or company incurs expenditure on the construction, refurbishment, conversion or purchase of a rented house, which is a qualifying house, the cost of that expenditure can be deducted from rental income.

Tax relief is due **only** for work actually carried out between **1 June 1998 and 31 December 2002**. This is called the **qualifying period**. The cost of the site does not qualify for relief and, in refurbishment or conversion cases, neither does the cost of the building on which the work was carried out.

Where the owner sells the house within a period of 10 years of the first letting any relief granted is withdrawn. A subsequent purchaser of the house, within the 10 year period, **is entitled** to the relief.

Interest on borrowed money used to purchase, improve or repair **a qualifying house** can be deducted from the rents received from the house.

Part 3 shows how to calculate the amount of expenditure which qualifies for tax relief.

Qualifying house

A house is a qualifying house where:

- It is the main residence of the lessee
- The site is wholly within an area listed in Appendix 1
- It is used solely as a dwelling



- The total floor area of the house is not less than 38 square metres, and, in the case of construction, not more than 140 square metres or in the case of refurbishment or conversion not more than 150 square metres. Floor area calculation details are provided at Appendix 4. (For the period 1 June 1998 to 5 April 1999 the maximum floor area in cases of construction, refurbishment or conversion is 125 square metres.)
- Without being used it is first let, in its entirety, for a term of at least 3 months. It must continue to be let for terms of at least 3 months during a period of 10 years from the date of first letting, except for reasonable periods of temporary disuse between the ending of one lease and the commencement of another lease. (For the period 1 June 1998 to 5 April 1999 the minimum term of a lease is 12 months.)
- The terms of the letting are at arm's length if it is let to a person connected with the landlord (e.g. to a daughter/son).

How relief is granted

The amount of the expenditure that qualifies for relief is deducted in full from the rental income from the property.

If this deduction exceeds the rental income in the first year from the house, the excess can be deducted from other rental income arising in the State for that year. Any rental loss created in the first year can be carried forward against rental income of succeeding tax years until the relief is exhausted. It does not have to be used up within 10 years of the first letting. Where a house is sold outside the 10 year period, the purchaser is not entitled to relief even if relief has not been claimed in respect of the house.

An example of the effect of the relief follows on page 16.



Example

Mr Murphy purchased a house from a builder in January 1999. The relief due in respect of the house is 83,125. (Example 2 in Part 3 shows how the relief is calculated).

During 1998/1999, he received rent of 1,100 from the house and his letting expenses amounted to 300. He also received rent of 8,000 from the letting of land and the expenses in respect of this letting amounted to 500. His rental computation for 1998/99 is as follows:

	House	Land
Rent	1,100	8,000
Less Expenses	(300)	(500)
Rented Residential Accommodation Relief	<u>(83,125)</u>	<u>nil</u>
	(82,325)	7,500
Excess Relief for Set-Off		<u>(82,325)</u>
Rental loss		(74,825)

This loss can be carried forward and set off against rental income of subsequent tax years.

How to claim the relief

Claim for the relief should be made to the individual's/company's tax office. Individuals who make their tax returns under self-assessment should claim the relief on their tax returns for the appropriate year. A form RRS 2 for claiming the relief is provided at the back of this booklet. Use of this form, which is not mandatory, will ensure that the relief due is allowed with minimum delay.



The following documents, as appropriate, are required in support of a claim and should be retained and forwarded to the Inspector of Taxes **if requested**:

- A Certificate of Compliance, in the case of a newly constructed, refurbished or converted house purchased from a builder. This is evidence that the house complies with the floor area requirements and standards for construction and improvement (see Appendix 2)
- A Certificate of Reasonable Cost where a new house is to be let by the person who built it or had it built (see Appendix 2)
- A Certificate of Reasonable Cost where a refurbished or converted house is to be let by the person who refurbished/converted it or had it refurbished/converted (see Appendix 2)
- In the case of a sale, a copy of the memorandum of agreement between the parties showing the sale price
- Where the house is constructed, a statement of the total cost of the work and the site cost. If any of the work was carried out outside the qualifying period, details of the cost of the work carried out between 1 June 1998 and 31 December 2002
- Where the house is refurbished or converted, a statement of the total cost of the work, the site cost of the house and the cost of the building refurbished/converted into the house. If any of the work was carried out outside the qualifying period, details of the cost of the work carried out between 1 June 1998 and 31 December 2002.

In the case of a purchase from a builder the above mentioned statements should be obtained from the builder. These statements should be obtained before the purchase is finalised as they will be required for the purposes of making a claim.

A specimen builder's statement is provided at Appendix 5.

Withdrawal of relief

A house must be let under a lease for a term of at least 3 months. It must continue to be let for terms of at least 3 months during a period of 10 years from the date of first letting (except for reasonable periods of temporary disuse between the ending of one lease and the commencement of another lease).

If a qualifying house does not continue to be so let or ceases to be a qualifying house, (e.g. if it is extended beyond the floor area limit), the relief already allowed is withdrawn. It is withdrawn by treating the relief allowed as an amount of rent received in the period in which the house ceases to be a qualifying house.

Example

In 2001/2002 Ms Joyce disposes of a house in respect of which she had been granted relief of 25,000. She has rental income for the year of 7,000 and a loss carried forward of 12,000.

Assessable rental income 2001/2002	
Rental income	7,000
add - relief withdrawn	<u>25,000</u>
	32,000
less - rental loss carried forward	<u>(12,000)</u>
	20,000

Ms Joyce will be taxed on rental income of 20,000 in the tax year 2001/2002

Amount of Qualifying Expenditure

3





Amount of Qualifying Expenditure

Introduction

The amount of the expenditure that qualifies for relief is the actual cost of the construction, refurbishment or conversion work which is carried out during the qualifying period, excluding grants.

Where a house is purchased from a builder, the expenditure that qualifies for relief includes a proportion of the builder's profit.

The cost of the site and, in refurbishment or conversion cases, the cost of the building and the proportion of the builder's profit relating to these do not qualify for relief.

The examples which follow show how the amount of the expenditure that qualifies for relief is calculated.

The calculation of the qualifying expenditure generally involves the use of a number of fractions. To make the text more legible, the various amounts which go to make up the fractions are designated by the following letters:

- A** the expenditure on construction/refurbishment/conversion which was incurred in the qualifying period
- B** the total expenditure on construction/refurbishment/conversion
- C** the expenditure on site acquisition (including in the case of refurbishment/conversion the cost of the building which was refurbished or converted).

Fractions are shown in the following format: $\frac{A}{B + C}$



Newly Constructed House

Individual incurs expenditure on construction

The amount that qualifies for tax relief is the expenditure on work carried out during the qualifying period.

Example 1

Ms Connolly purchased a site in Leitrim for 10,000 in March 1999. She engaged a builder to build a house. The total construction cost is 70,000. All construction work is carried out during the qualifying period.

Ms Connolly's qualifying expenditure is:
cost of construction work carried out during the qualifying period: **70,000**

New house purchased from a builder

Where a new house is purchased unused from a builder the purchaser is treated as having incurred expenditure on the construction of the house equal to:

$$\text{Price paid to builder} \times \frac{A}{B + C}$$

Tax relief is allowed for this amount.

Example 2

In September 1999 Mr Murphy purchases a house from a builder for 95,000.

The builder's cost were:

construction costs in qualifying period	70,000 (A)
total construction costs	70,000 (B)
site cost	10,000 (C)

Mr Murphy's qualifying expenditure is:

$$95,000 \times \frac{A}{B + C} = 95,000 \times \frac{70,000}{70,000 + 10,000} = 83,125$$



Example 3

The circumstances are the same as in example 2 except that 15,000 of the builder's costs refer to work carried out outside the qualifying period. Accordingly, A is now 55,000 i.e. 70,000 less 15,000.

Mr Murphy's qualifying expenditure is:

$$95,000 \times \frac{55,000}{70,000 + 10,000} = 65,313$$

New house purchased from a person who is not a builder

Where a new house is purchased unused from a person who is not a builder the purchaser is treated as having incurred expenditure on the construction of the house on the lower of:

- The expenditure on construction work carried out during the qualifying period
- and
- The price paid by the purchaser x $\frac{A}{B + C}$

Generally, in a market where property prices are rising, the relief will be based on the expenditure on construction work carried out during the qualifying period.

Example 4

If in example 1, Ms Connolly, due to a change in circumstances, decides to sell the house unused to Mr Ryan for 95,000. The amount on which Mr Ryan is entitled to tax relief is the **lower of**:

- The expenditure on construction work carried out during the qualifying period (70,000)

and

- The price paid by Mr Ryan x $\frac{A}{B + C}$

$$(95,000 \times \frac{70,000}{70,000 + 10,000}) = 83,125$$

i.e. 70,000

Newly Refurbished/Converted House

Individual incurs expenditure on refurbishment/conversion

The amount that qualifies for tax relief is the expenditure on refurbishment/conversion work carried out during the qualifying period.

Example 5

Mr Smith purchased a property in March 1999 for 45,000 which includes the site cost. He plans to refurbish the property. The Department of the Environment and Local Government Inspector confirms that this refurbishment is necessary to ensure the suitability of the property as a dwelling.

He has the property refurbished at a cost of 60,000. All of the work is carried out during the qualifying period.

Mr Smith's qualifying expenditure is: Cost of refurbishment work carried out during qualifying period (excluding the cost of the site and property): 60,000



Newly refurbished/converted house purchased from a builder

Where a refurbished/converted house is purchased unused from a builder, the purchaser is treated as having incurred expenditure on refurbishment/conversion on the lower of:

- The expenditure on refurbishment/conversion work carried out during the qualifying period (including an appropriate proportion of the builder's profit) and
- The price paid for the house by the purchaser, or if only a part of the expenditure is incurred in the qualifying period, the price paid x $\frac{A}{B}$

Generally, in a market where property prices are rising, the relief will be based on the expenditure on refurbishment/conversion work carried out during the qualifying period.

Example 6

A builder buys a derelict property for 30,000 which includes the site cost (C). The Department of the Environment and Local Government Inspector confirms that this refurbishment is necessary to ensure the suitability of the property as a dwelling.

He spends 45,000 on refurbishment (B) of which 35,000 relates to work carried out during the qualifying period (A). He sells the property to Ms Boyle for 85,000. The amount on which Ms Boyle is entitled to tax relief is the lower of:

- The expenditure on refurbishment/conversion work carried out during the qualifying period (including an appropriate proportion of the builder's profit)

$$(85,000 \times \frac{A}{B+C} = 85,000 \times \frac{35,000}{45,000 + 30,000} = 39,667)$$

and

- The price paid for the house by the purchaser, or if only a part of the expenditure is incurred in the qualifying period, the price paid x $\frac{A}{B}$

$$(85,000 \times \frac{35,000}{45,000} = 66,111)$$

ie: 39,667



Newly refurbished/converted house purchased from a person who is not a builder

Where a refurbished/converted house is purchased unused from a person who is not a builder the purchaser is treated as having incurred expenditure on refurbishment/conversion work on the **lower of**:

- The expenditure on refurbishment/conversion work carried out during the qualifying period
- and**
- The price paid for the house by the purchaser, or if only a part of the expenditure is incurred in the qualifying period, the price paid $\times \frac{A}{B}$

Generally, in a market where property prices are rising, the relief will be based on the expenditure on refurbishment/conversion work carried out during the qualifying period.

Example 7

If in example 5, Mr Smith, due to a change in circumstances, decides to sell the house unused to Ms Wilson for 120,000. The amount on which Ms Wilson is entitled to tax relief is the **lower of**:

- The expenditure on refurbishment work carried out during the qualifying period (60,000)
- and**
- The price paid (120,000)

i.e. **60,000**



Subsequent Sale of Rented Residential Accommodation

New house, which has been let, sold during 10 year period

Where a house, which has been let, is sold during the 10 year period beginning on the date of the first letting the relief already given to the seller is withdrawn. It is withdrawn by treating the relief allowed as an amount of rent received in the period in which the sale takes place. The purchaser can claim relief on the **lower** of:

- The amount of the seller's relief

and

- The price paid x $\frac{A}{B + C}$

Generally, in a market where property prices are rising, the relief will be based on the seller's relief.

Example 8

If in example 2, Mr Murphy sells the house to Mr. Fox for 105,000, after he has let it for 6 years. Mr Murphy is treated as receiving rent equal to the amount of relief already allowed i.e. 83,125.

Mr Fox is entitled to claim relief of 83,125, the amount of seller's relief, as this is less than the price paid by him x $\frac{A}{B + C}$

$$\text{i.e. } 105,000 \times \frac{70,000}{70,000 + 10,000} = 91,875$$



Refurbished/converted house, which has been let, sold during 10 year period

Where a refurbished/converted house, which has been let, is sold during the 10 year period beginning on the date of the first letting the relief allowed to the seller is withdrawn, as above. The purchaser of the house is entitled to relief on the **lower of**:

- The amount of the seller's relief
- and**
- The price paid for the house by the purchaser, or if only a part of the expenditure is incurred in the qualifying period, the price paid x $\frac{A}{B}$

Generally, in a market where property prices are rising, the relief will be based on the seller's relief.

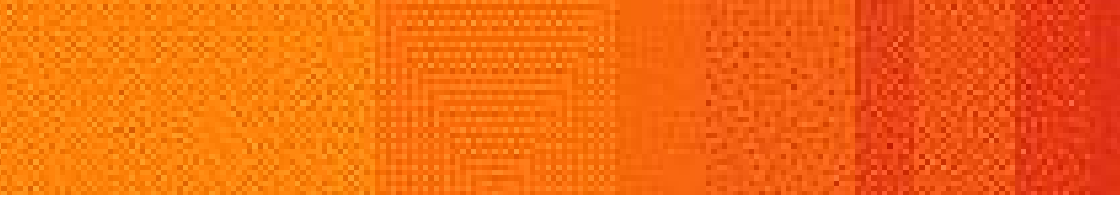
Example 9

If in example 7, Ms Wilson sells the house to Mr. Fitzpatrick for 130,000, after she has let the house for 5 years. Ms Wilson is treated as receiving rent equal to the amount of relief already allowed i.e. 60,000.

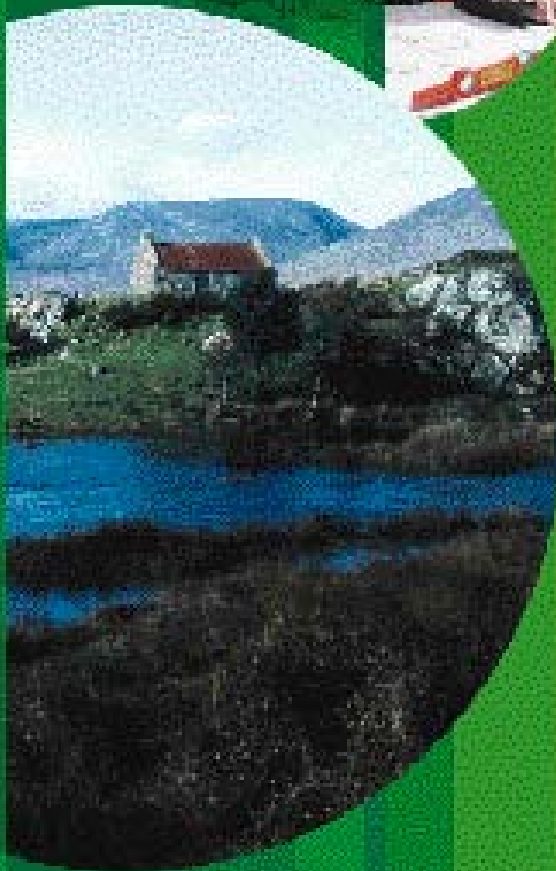
Mr Fitzpatrick is entitled to claim relief of 60,000, the amount of the seller's relief, as this is less than the price paid by him, 130,000.

House, which has been let, sold after 10 year period

If a house, which has been let, is sold after the 10 year period beginning on the date of the first letting, the relief already allowed is not withdrawn and no relief is available to the purchaser.



Appendices



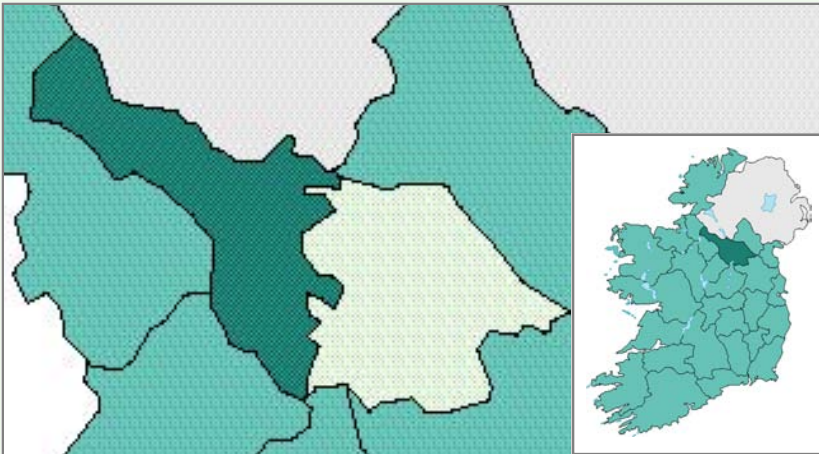
Appendix 1

Description of Qualifying Rural Areas

Cavan

Description of qualifying rural areas of Cavan

The District Electoral Divisions of Arvagh, Springfield, Killashandra, Milltown, Carrafin, Grilly, Kilconny, Belturbet Urban, Ardue, Carn, Bilberry, Diamond, Doogary, Lissanover, Ballymagauran, Ballyconnell, Bawnboy, Templeport, Benbrack, Pedara Vohers, Tircahan, Swanlinbar, Kinawley, Derrynananta, Dunmakeever, Dowra, Derrylahan, Tuam, Killinagh, Eskey, Teebane, Scrabby, Loughdawan, Bruce Hall, Drumcarban, Corr, Crossdoney, and Killykeen.

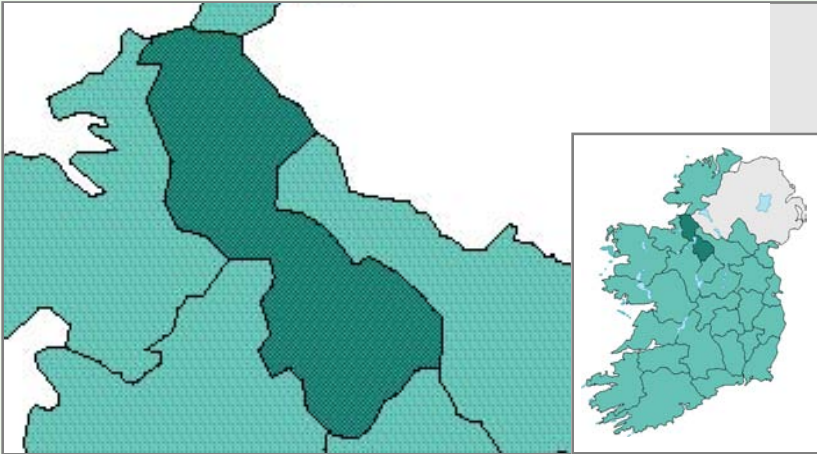


Qualifying Rural Areas

Leitrim

Description of qualifying rural areas of Leitrim

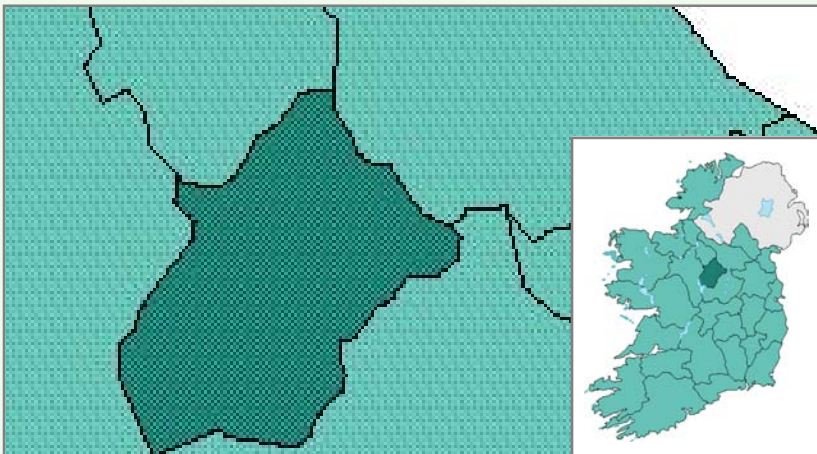
The administrative county of Leitrim.



Longford

Description of qualifying rural areas of Longford

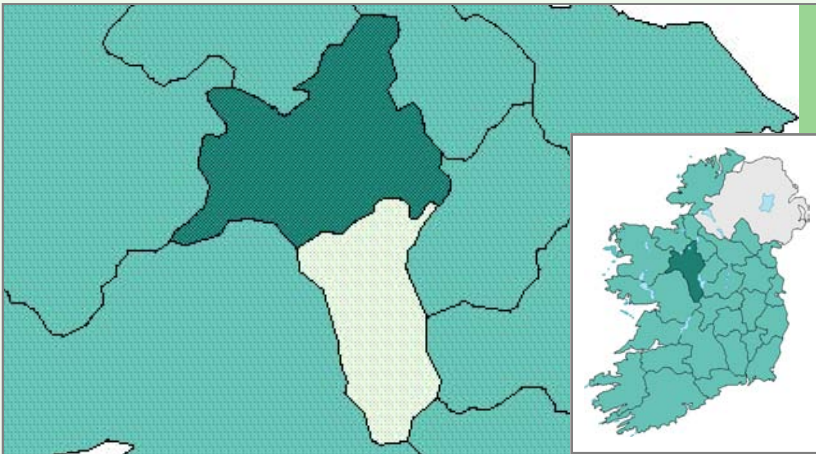
The administrative county of Longford.




Roscommon

Description of qualifying rural areas of Roscommon

The District Electoral Divisions of Ballintober, Castleteheen, Carrowduff, Kilbride North, Lissonuffy, Killavackan, Termonbarry, Roosky, Kilglass North, Kilglass South, Bumlin, Cloonfinlough, Killukin (in Roscommon Rural District), Strokestown, Annaghmore, Tulsk, Coolougher, Ballinlough, Kiltullagh, Cloonfower, Artagh South, Artagh North, Ballaghaderreen, Edmondstown, Loughglinn, Buckkill, Fairymount, Castlereagh, Frenchpark, Bellangare, Castleplunket, Baslick, Breedoge, Altagowlan, Lough Allen, Ballyfarnan, Keadue, Aghafin, Ballyformoyle, Crossna, Kilbryan, Boyle Rural, Boyle Urban, Tivannagh, Rushfield, Tumna North, Tumna South, Killukin (in Boyle No. 1 Rural District), Oakport, Rockingham, Danesfort, Cloonteem, Kilmore, Elia, Ballygarden, Aughrim East, Aughrim West, Creeve (in Boyle No. 1 Rural District), Creeve (in Roscommon Rural District), Elphin, Rossmore, Cloonyquinn, Ogulla, Mantua, Lisgarve, Kilmacumscy, Kilcolagh, Estersnow, Croghan, Killummod, Cregga, Cloonygormican, Kilbride South, Kilgefin, Cloontuskert, Drumdaff, and Kiltewan.

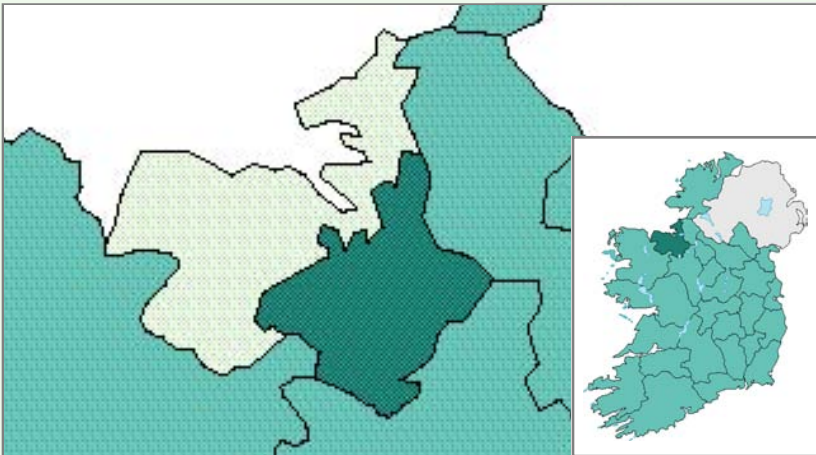



 Qualifying Rural Areas

Sligo

Description of qualifying rural areas of Sligo

The District Electoral Divisions of Ballintogher East, Ballynakill, Lisconny, Drumfin, Ballymote, Cloonohill, Leitrim, Tobercurry, Kilturra, Cuilmore, Kilfree, Coolavin, Killaraght, Templevanny, Aghanagh, Kilmactranny, Ballynashee, Shancough, Drumcolumb, Riverstown, Lakeview, Bricklieve, Drumrat, Toomour, Kilshalvy, Killadoon, Streamstown, Cartron, Coolaney, Owenmore, Temple, Annagh, Carrickbannagher, Collooney, and Ballintogher West.



 Qualifying Rural Areas

Appendix 2

Guidelines for applying for Certificate of Compliance and Certificate of Reasonable Cost

Certificate of Compliance

A certificate of compliance is required where a newly constructed, refurbished or converted house is purchased from a builder. This certifies that:

- 1 The house complies with Department of the Environment and Local Government standards of construction
- 2 The accommodation is within the specified floor area limits:
 - 38 to 140 square metres for newly constructed rented residential accommodation
 - 38 to 150 square metres for refurbished or converted rented residential accommodation
 - 38 to 210 square metres for owner-occupied houses in respect of construction, refurbishment and conversion expenditure
- 3 In the case of a refurbishment project, that the work was necessary to ensure the suitability as a dwelling of the house.

A Certificate of Compliance will be accepted as evidence that the house complies with any conditions laid down by the Minister for the Environment and Local Government in relation to standards for construction and improvements and the provision of water, sewerage and other services in houses.

It will also be accepted as evidence that the house complies with the floor area requirements.

Application for a Certificate of Compliance

To obtain a Certificate of Compliance, form HPF/2 must be completed and forwarded to the Department of the Environment and Local Government, Housing Grants Section, Room F9/10 Government Offices, Ballina, Co. Mayo.

The application may be made by the purchaser or by the builder/developer. An application form HPF/2 is provided at the back of this booklet.

If the house is not registered under the National House Building Guarantee Scheme, the following documentation is required:

- a Drawings of the house/flat to scale 1:50 showing floor plans, sections and elevations (fully dimensioned)
- b Site plan showing location of site, layout of site numbers and north point, with house(s) delineated
- c Detailed specification of construction
- d Copy of planning permission and Fire Safety Certificate (where appropriate)
- e Bye-law approval (where applicable).

Certificate of Reasonable Cost

A certificate of reasonable cost is required where:

- A newly constructed house/flat is to be lived in or let by the person who built or had it built, or,
- A refurbished or converted house/flat is lived in or let by the person who refurbished it or had it converted.

This certifies that:

- 1 The cost of providing the accommodation is reasonable
- 2 The accommodation is within the specified floor area limits:
 - 38 to 140 square metres for newly constructed rented residential accommodation
 - 38 to 150 square metres for refurbished or converted rented residential accommodation
 - 38 to 210 square metres for owner-occupied houses in respect of construction, refurbishment and conversion expenditure
- 3 In the case of a refurbishment project, that the work was necessary to ensure the suitability as a dwelling of the house.

Application for a Certificate of Reasonable Cost

To obtain a Certificate of Reasonable Cost, form HPF/1 must be completed and forwarded to the Department of the Environment and Local Government, Housing Grants Section, Room F9 /10, Government Offices, Ballina, Co Mayo with the appropriate documentation and fee.

The application may be made by the purchaser or by the builder/developer. An application form HPF/1 is provided at the back of this booklet.

Documentation

The following documentation is required:

- a Drawings of the house to scale 1:50 showing floor plans, sections and elevations (fully dimensioned)
- b Site plan showing location of site, layout of site numbers and north point, with house(s) delineated
- c Detailed specification of construction
- d Copy of planning permission and Fire Safety Certificate (where appropriate)
- e Breakdown of costs
 - where works are executed by the applicant, details of labour and material cost plus any other expenses incurred
 - where work is carried out under contract, details of tender, design fees etc. and a copy of final account.

The Department of the Environment and Local Government at all times reserves the right to request a Bill of Quantities.

Fees

A fee of £50 is payable in respect of an application for a Certificate of Reasonable Cost in respect of one house. Where an application covers more than one house to the same plan, the fee is £50 plus £20 for each house in excess of one.

A separate application is requested for each different construction cost claimed and for each different house type.

Appendix 3 (Form HA2R)

Technical Standards for Refurbishment and Conversion Works

Works must be constructed and carried out in accordance with good building practice and in compliance with the requirement of the Building Regulations 1997, where applicable, including any amendments thereto (hereinafter referred to as the Building Regulations). These Regulations apply to all works in connection with the material alteration or extension of a building, provision of certain services, fittings and equipment, and material change of use as regards a building. Where the Technical Guidance Documents, which accompany the Building Regulations, are not followed, compliance with the Regulations must be demonstrated. Where unconventional materials or methods of construction are used, certification by a competent body as to their suitability and compliance with the Building Regulations will be required.

All works which would put the house in good repair, to prevent deterioration of the house and make it fit for habitation, are necessary.

On completion of the works, the house should provide a reasonable level of comfort and convenience and should:

- Have an adequate level of safety and security for its occupants
- Be structurally sound, with walls (including internal and external plastering), roofs, floors, woodwork (including stairways, fascias, barges and soffits etc.) windows, chimneys, valleys, gutters, etc. to be in good repair. The house must be free of damp and have adequate fire resistance and means of escape
- Have adequate lighting and ventilation

- Have an adequate heating system and be reasonably energy efficient
- In the case of stairways, be safe to use and have adequate handrails, securely fixed
- Have adequate bathroom facilities, hot and cold water supply, water storage and sewerage system. (Note where a new sewerage system is being installed Planning Permission is required.)
- Have adequate food storage, preparation and cooking facilities
- Have adequate mains operated fire alarm/smoke detection system.

Electrical installations should provide adequate light and power points and comply with the Electro Technical Council of Ireland and the ESB requirements.

Flats

To qualify a flat must be fully self contained with a separate entrance from an external access point or from a common area in multi-dwelling buildings. It must comply with fire requirements, have a Fire Safety certificate where applicable and be laid out so as to allow the provision of separate cooking, washing and toilet facilities together with living and bedroom accommodation. All work must comply with the Building Regulations 1997, where applicable.

General

All works must satisfy the requirements of the 1997 Building Regulations, the Technical Guidance Documents and the technical section of the HAI Explanatory Memorandum for the New House Grants part D, where applicable.

Appendix 4

Floor Area Calculations

The floor area of a house is its gross area measured inside the finished external walls, excluding the areas mentioned below. The following are included in calculating the floor area:

- i All internal walls, partitions, chimney breasts and the stairwell on each floor
- ii All areas within the external walls which are capable of being converted into habitable space, even if there is not direct access from them to the house and irrespective of their state of finish
- iii Areas described as "utility room", "workshop", "lobby", "store", "office", etc.
- iv Areas behind mock walls or partitions where sufficient height exists to provide a room
- v Areas where flooring has been temporarily omitted e.g. over a garage
- vi Closed glazed porches or conservatories
- vii Any areas of rooms that do not meet the required ceiling heights.

Excluded Areas

Areas which are specifically described below and which comply with the conditions set out will be excluded in calculating the total floor area of the house:

- i Fully detached garages, carports and out-offices
- ii A garage (or carport) attached to and forming part of the house, provided it
 - is suitable for use as a garage and not intended or designed, having regard to the layout and finish of the garage and house, to be further developed as part of the habitable area of the house

- complies with the fire safety standards required by the Building Regulations
 - has provision for not more than two windows
 - does not have a fireplace opening, or is not capable of having a fireplace, and
 - has vehicular entrance normally from the front except where a front entrance is not possible due to the restricted nature of the site or special design or other consideration.
- iii An attic where no development works, such as stud partitioning or fixed stairway, have been carried out and which is not intended or designed, having regard to its layout and finish, to be further developed as part of the habitable area of the house. (It may however, be floored for storage purposes and have not more than three windows or roof-lights)
- iv A basement where no development works other than those that are strictly necessary to secure the structural stability of the house have been carried out and which is not intended or designed, having regard to its layout and finish, to be further developed as part of the habitable area of the house
- v A boiler house/fuel store with external access only and a floor area of not more than 4 square metres
- vi Small open porches
- vii Common areas in multi-dwelling buildings.

Appendix 5

Specimen Draft of Builder's Statement to be issued to the Purchaser of a Newly Constructed/Refurbished/Converted House in a Rural Renewal Area

Rural Renewal Scheme Statement

House situated at:

1 This house is situated wholly within an area designated for the purposes of the Rural Renewal Scheme.

2 A copy of the Certificate of Compliance /Certificate of Reasonable Cost is attached (delete as appropriate).

3 The price paid by the purchaser for the house amounted to

4 Construction/refurbishment/conversion (delete as appropriate) costs of the house amounted to

5 Where part of the work was carried out outside the qualifying period, give details of:

a) Rented Residential House

The cost of the work carried out between 1 June 1998 and 31 December 2002

OR

b) Owner-Occupied House

The cost of the work carried out between 6 April 1999 and 31 December 2002

- 6 The cost of the site of the house amounted to
- 7 The cost of the building which has been refurbished/converted into the house amounted to
- 8 The tax relief is calculated as follows:

$$\text{Price paid} \times \frac{A}{B + C}, \quad \text{where}$$

- A is the expenditure on construction/refurbishment/conversion which was incurred in the qualifying period
- B is the total expenditure on construction/refurbishment/conversion
- C is the expenditure on site acquisition (including in the case of refurbishment/conversion the cost of the building which was refurbished or converted).

Signed

Date

NOTES

RURAL RENEWAL SCHEME FORM RRS 1

Claim form for Owner-Occupied Accommodation Relief

Name

RSI Number

Telephone Number

Address

If the work is carried out by a builder, complete Parts A and B and attach builder's statement.

In all other cases, complete Parts A, B and C.

PART A

Location of Property

District Electoral Division

Date of purchase, if applicable

Amount of grant, if any

Description of Expenditure *(tick appropriate box)*

A new house purchased from a builder/non-builder *(delete as appropriate)*

An existing building refurbished/converted *(delete as appropriate)*

New house constructed by/for me *(delete as appropriate)*

PART B Confirm the following by ticking the boxes:

I hold a Certificate of Compliance/Certificate of Reasonable Cost in respect of the house *(delete as appropriate)*.

The floor area of the house is between 38 square metres and 210 square metres.

I have lived in the house since the expenditure was incurred and use it as my main residence.

PART C Read Part 3 of the booklet before completing Part C.

Purchase price, where expenditure on construction or refurbishment/
conversion was incurred by seller who is not a builder

Total cost of work

Cost of work carried out during the qualifying period

Where expenditure is on construction, the cost of the site of the house

I declare that all of the information given by me on this form is correct to the best of my knowledge and belief.

Signed _____ Date

Claim form for Rented Residential Accommodation Relief

Name

RSI Number

Telephone Number

Address

If the work is carried out by a builder, complete Parts A and B and attach builder's statement.
 In all other cases, complete Parts A, B and C.

PART A

Location of Property

District Electoral Division

Amount of Grant, if any

Description of Expenditure *(tick appropriate box)*

A new house purchased from a builder/non-builder *(delete as appropriate)*

Existing building refurbished/converted *(delete as appropriate)*

New house constructed by/for you *(delete as appropriate)*

PART B Confirm the following by ticking the boxes:

I hold a Certificate of Compliance/Certificate of Reasonable Cost in respect of the house *(delete as appropriate)*

The floor area of the house is: between 38 square metres and 140 square metres in the case of construction, or
 between 38 square metres and 150 square metres in the case of refurbishment/conversion *(delete as appropriate)*

I have let the house since the expenditure was incurred under qualifying lease(s) (see Part 2 of the booklet)

PART C Read Part 3 of the booklet before completing Part C.

Purchase price, where expenditure on construction or refurbishment/conversion was incurred by seller who is not a builder

Total cost of work

Cost of work carried out during the qualifying period

Where expenditure is on construction, the cost of the site of the house

I declare that all of the information given by me on this form is correct to the best of my knowledge and belief.

Signed _____

Date / /

Government Offices, Ballina, Co. Mayo. Telephone: (096)70677 LoCall: 1890-30-50-30
Oifigi Rialtais, Beal an Atha, Co. Mhuigheo Fax: (096)70680



Application for a Certificate of Compliance

Tax Incentive Scheme for Owner-Occupied and Rented Residential Accommodation under the Rural Renewal Scheme.

IMPORTANT This form is to be completed where a newly constructed, refurbished or converted house/flat is purchased from a builder. Before completing this form, please read Form HA2R provided at Appendix 3.

1 Applicant's Name
Address

2 Telephone Number

3 Address of house(s)/flat(s) to which application relates

4 Builder's Name
Address

5 Description of Property *(please tick appropriate box)*

(a) New Construction yes no

(b) Conversion of a non-residential building into one or more units of accommodation. yes no

(c) Refurbishment of a building with one or more residential units. yes no

Owner Occupied Renting

6 State floor area measurement of dwelling.

7 Are you purchasing the dwelling or having it built on your own site.

8 State date of signing contract to purchase or build the house/flat. / /

9. Is work on the house(s)/flat(s) completed yes no

10 Date of commencement of work / /

(a) Date of completion of works / /

NOTE The builder will be able to help you answer Questions 8-9

11 Is/are the house(s)/flat(s) registered under the National House Building Guarantee Scheme? yes no

If "yes" give the Structural Guarantee Number(s)

12 Has a Floor Area Certificate been issued in respect of the house(s)/flat(s)? yes no

If "yes" give the number(s)

13 If the house(s)/flat(s) is/are not registered under the NHBGS, the following documentation is required:

- (a) Site location map
- (b) Elevation and section
- (c) House/flat plans
- (d) Specification
- (e) Planning Permission
- (f) Bye-law approval (where applicable)
- (g) Fire Safety Cert

The particulars set out in this application are correct to the best of my knowledge and belief.

Signed _____

Date

Sketch showing how to get to the house(s)/flat(s) from the nearest main road.

Government Offices, Ballina, Co. Mayo. Telephone: (096)70677 LoCall: 1890-30-50-30
Oifigi Rialtais, Beal an Atha, Co. Mhuigheo Fax: (096)70680



Application for a Certificate of Reasonable Cost

Tax Incentive Scheme for Owner-Occupied and Rented Residential Accommodation under the Rural Renewal Scheme.

IMPORTANT This form is to be completed where:

- (1) a newly constructed house/flat is lived in or let by the person who built it or had it built, or,
- (2) where a refurbished or converted house/flat is lived in or let by the person who refurbished or converted it or had it refurbished or converted.

Before completing this form, please read Form HA2R provided at Appendix 3.

1 Applicant's Name

Address

2 Telephone Number

3 Location of Property

4 Site number(s)

5 Description of Work (please tick appropriate box)

(a) New Construction yes no

(b) Conversion of a non-residential building into one or more units of accommodation. yes no

(c) Refurbishment of a building with one or more residential units. yes no

Owner Occupied Renting

6 State floor area measurement of dwelling.

7 Are you purchasing the dwelling or having it built on your own site.

8 State date of signing contract to purchase or build the house/flat. / /

9 Number of units of accommodation being provided.

10 If a CRC has previously been applied for or granted in respect of houses or flats on any of the above sites give particulars.

11 Date of commencement of work

11(a) Date of completion of works

12 Estimated cost of provision of accommodation.

13 Documentation

The following must be submitted

- (a) Site Location Map
- (b) Specifications
- (c) Elevation and Section
- (d) Breakdown of Costs
- (e) Planning Permission
- (f) Fire Safety Cert
- (g) House/Apartment Plans

A Bill of Quantities may be sought in certain cases.

14 Fees

1 (one) initial unit @ £50.

additional units @ £20.

Total Fee submitted

Method of Payment *(Please tick)*

Cheque

Money Order

Bank Draft

Cash

The particulars set out in this application are correct to the best of my knowledge and belief.

Signed _____

Date