

Stamp Duty 2017

STAMP DUTIES

Charge to tax

Stamp duty is charged on **deeds**, for example, a transfer, lease or mortgage (s 2).

Stamp duty is also charged, in the form of a **levy**, on insurance premiums (s 125), credit cards (s 114), and bank cards (s 123).

Rates of tax (deeds)

Transfer

A transfer of land or buildings is charged:

- (a) non-residential property, at **2%**,
- (b) residential property, at
 - (i) **1%** on the first €1,000,000 of consideration, and at
 - (ii) **2%** on the remainder.

A transfer for less than full value (for example, a gift) is charged on the market value (s 30).

Lease

Stamp duty is charged on both the rent and the premium.

Premium: Stamp duty is charged at the same rate as a transfer.

Rent: If the lease is for a term which is indefinite, or for less than 35 years, the rate is **1%** of the average annual rent. But if the lease relates to a house or apartment, and the annual rent is less than €30,000, the lease is exempt.

If the lease is for a term between 35 and 100 years, the rate is **6%** of the average annual rent.

If the lease is for a term exceeding 100 years, the rate is **12%** of the average annual rent (Schedule 1).

Transfers of marketable shares or securities

Stamp duty is charged at **1%** of the price paid for the shares. This rate also applies to electronic share trading transactions within the CREST system (Schedule 1).

A transfer for less than full value (for example, a gift of shares) is charged at market value (s 30).

Fixed duty

Fixed duty is charged (Schedule 1) at €12.50 on the following documents:

- Appointment of new trustee
- Collateral security

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Declaration of trust

Duplicate or counterpart

Transfer where no beneficial interest passes

It is charged at €0.50 on cheques.

Exemptions

The following transactions are exempt:

(a) A transfer from one **spouse** to the other (s 96). The exemption also applies to a transfer made under separation, divorce or nullity proceedings.

(b) A transfer from one company to another within a 90% **corporate group** (s 79).

(c) A transfer of farm land to a **young trained farmer** (before 31 December 2015) (s 81).

(d) A transfer from one company to another as part of a **corporate reconstruction or amalgamation** (s 80).

(e) A transfer of land to a charity (s 82).

(f) A transfer of **woodlands**; duty is not charged on the value of the trees growing on the land (s 95).

(g) A transfer of government stocks, aircraft and ships, wills, sheriff warrants, and State-owned property (Schedule 1).

Particulars delivered

A deed must be stamped with a “particulars delivered” (PD) stamp if it involves:

(a) a transfer of a fee simple,

(b) the grant of a lease for a term exceeding 30 years,

(c) assignment of a lease where the unexpired term exceeds 30 years.

The exceptions to this rule are:

(a) the creation of a joint tenancy between spouses, and

(b) conveyances and leases of houses to or by a housing authority.

Self assessment

The person liable to pay the stamp duty is the accountable person. This means the person to whom the property is transferred, leased, or mortgaged (s 1).

Revenue powers

Administration

The Revenue Commissioners are responsible for the administration of stamp duties (s 137).



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Collection

DUTY

A deed must be stamped within 30 days of its execution.

INTEREST

Interest is charged at **0.0219%** for each day the duty is unpaid.

SURCHARGE

An understatement in the value of property gives rise to a surcharge (s 15) of:

- (a) **25%**, if the undercharge was 15% - 30%,
- (b) **50%**, if the undercharge was 30% - 50%, and
- (c) **100%**, if the undercharge was greater than 50%.

Penalties

Failure to pay stamp duty on time gives rise to a penalty (s 14) of €30 plus:

- (a) **10%** of unpaid duty if less than six months late,
- (b) **20%** of unpaid duty if over six months but less than 12 months late,
- (c) **30%** of unpaid duty if over 12 months late.

See INCOME TAX (Penalties) as regards enforcement of penalties.

Appeals

A person aggrieved by:

- (a) a Revenue decision as to the value of land or buildings, may appeal to the Land Values Reference Committee,
- (b) an assessment, you may appeal to the Appeal Commissioners (s 21).