

ANNEX 1 – COMMERCIAL SCHEMES

Schemes	Start Date	Termination Date (Note 1)	Writing Down Period (years)	Double Rent Deduction (Yes/No)	Annual Allowance	Free Depreciation (max limit) (Note 2)	Initial Allowance (first year only)
Urban Renewal 1994	1/8/1994	31/12/1998	14	Y	4%/2% (Note 3)	50%	25%
Customs House Dock	25/1/1988	30/06/2000	13	Y	4%	100%	50%
Temple Bar Area	6/4/1991	5/4/1999	14	Y	4%/2% (Note 4)	100%/50% (Note 5)	50%/25% (Note 6)
Seaside Resorts	1/7/1995	31/12/1999	11	Y	5%	75%	50%
Enterprise Areas	1/8/1994	31/12/2000	20 (Note 7)	Y (Note 8)	4%	50%	25%/50% (Note 9)
Urban Renewal 1999	1/8/1998	31/07/2008	14	N	4%	50%	50%
Multi-storey Car Parks (Note 10)	1/7/1995	31/07/2008	14	Y (Note 11)	4%	100%	50%
Town Renewal	6/4/2001	31/07/2008	14	N	4%	50%	50%
Rural Renewal	1/7/1999	31/07/2008	14	N	4%	50%	50%
Living over the Shop Park and Ride	6/4/2001	31/07/2008	14	N	4%	50%	50%
	1/7/1999	31/07/2008	14	N	4%	100%	50%
Third Level Buildings							

Qualifying Sports Injury Clinics	1/7/1997	31/07/2008	7	N	15% p.a. in first 6 years, 10% in year 7	N/A	N/A
	15/5/2002	31/07/2008	7	N	15% p.a. in first 6 years, 10% in year 7	N/A	N/A
Hotels (Note 12)							
Childcare Facilities	27/1/1994	N/A	7 (now 25)	N	15% p.a. in first 6 years, 10% in year 7 (now 4%)	N/A	N/A
Holiday Cottages	2/12/1998	31/03/2012	7	N	15% p.a. in first 6 years, 10% in year 7	100% (Note 13)	100% (Note 14)
Nursing Homes	1/7/1968	31/07/2008	10	N	10%	N/A	N/A
Housing for elderly/infirm	3/12/1997	30/06/2011	7	N	15% p.a. in first 6 years, 10% in year 7	N/A	N/A
Convalescent Homes	25/3/2002	30/04/2010	7	N	15% p.a. in first 6 years, 10% in year 7	N/A	N/A
Qualifying Hospitals	2/12/1998	30/06/2011	7	N	15% p.a. in first 6 years, 10% in year 7	N/A	N/A
Qualifying Mental	15/5/2002	31/12/2013	7	N	15% p.a. in first 6	N/A	N/A

Health Centres					years, 10% in year 7		
Specialist Palliative Care Units	23/1/2007	30/06/2011	7	N	15% p.a. in first 6 years, 10% in year 7	N/A	N/A
Mid-Shannon Corridor Tourism Infrastructure Scheme	Scheme still awaiting Commencement Order (note 15)	N/A	7	N	15% p.a. in first 6 years, 10% in year 7	N/A	N/A
Registered Guest Houses & Holiday Hostels	1/6/2008	31/05/2015	7	N	15% p.a. in first 6 years, 10% in year 7	N/A	N/A
Registered Holiday Camps	3/2/2005	N/A	25	N	4% p.a.	N/A	N/A
Registered Caravan & Camping Sites	27/1/1994	N/A (Note 16)	7 (now 25)	N	15% p.a. in first 6 years, 10% in year 7 (now 4%)	N/A	N/A
	1/1/2008	N/A	25	N	4% p.a.	N/A	N/A

Notes to Table 1

- 1) The termination date is the date by which qualifying construction/refurbishment expenditure must be incurred, not the date by which a building must be completed/sold or relief claimed.
- 2) Free depreciation (i.e. the ability to claim more than the basic annual rate of allowances for a single year or over a period of years) is available to owner/occupiers but not to lessors.
- 3) Under the 1994 Urban Renewal Scheme a maximum of 50% of qualifying expenditure incurred on commercial projects could be written off. The annual allowance for such projects was 2% per annum.
- 4) Under the Temple Bar Area scheme the emphasis was on refurbishment rather than construction. Refurbishment projects in general qualified for 100% write off of the capital expenditure incurred at the higher 4% rate of annual allowance. For most types of construction projects, only 50% of the qualifying expenditure could be written off at the lower 2% rate.
- 5) As per note 4, there were different rates for construction and refurbishment projects and for different types of projects.
- 6) As per note 4, there were different rates for construction and refurbishment projects and for different types of projects.
- 7) Under the Enterprise Area scheme lessors could claim capital allowances on 100% of qualifying expenditure at a rate of 25% initial allowance and 4% annual allowance.
- 8) Double Rent Deduction was not available for buildings in Enterprise Areas located at an airport.
- 9) The Initial Allowance was increased to 50% in the case of expenditure incurred from 1 January 1998 on a qualifying building located in an Airport Enterprise Area.
- 10) For Multi Storey Car Parks the annual allowance of 4%, free depreciation of 100% and initial allowance of 50% applied to expenditure incurred after 31/7/1998 where no lease had been granted for the purposes of double rent relief. For expenditure incurred prior to this date the capital allowances available were restricted to a maximum 50% write-off of the capital expenditure incurred. Under these circumstances an annual allowance of 2%, free depreciation of 50% and an initial allowance of 25% applied.
- 11) For Multi Storey Car Parks the latest date for entering into a qualifying lease for the purposes of double rent deduction was 30/09/1999.
- 12) Capital allowances for expenditure incurred on hotel projects are of long standing and different rates have applied over time. From 1956 to 27/1/1994 the annual allowance was 10%. From 28/1/1994 to 31/7/2008 the rate was 15% for the first 6 years and 10% in year 7. From 1/8/2008, subject to transitional arrangements, the annual allowance is 4%, giving a current write-off period of 25 years.
- 13) The accelerated allowances for Childcare Buildings are available in respect of expenditure incurred from 1 December 1999.
- 14) See Note 13.
- 15) This scheme has not yet been commenced. When the Commencement Order is made, the commencement date will be made retrospective to 13/3/2008.
- 16) Expenditure incurred on registered holiday camps after 31/7/2008 is written off at a rate of 4% per annum. For expenditure incurred prior to 27/1/1994 an annual allowance of 10% applied.

ANNEX 2 – RESIDENTIAL SCHEMES		
SCHEMES (note 1)	START DATE	TERMINATION DATE
Urban Renewal 1994	1/8/1994	30/4/1999
Customs House Dock	25/1/1988	31/12/1999
Temple Bar Area	30/1/1991	31/12/1999
Urban Renewal 1999	1/8/1998	31/07/2008
Town Renewal	1/4/2000	31/07/2008
Rural Renewal	1/6/1998 (note 2)	31/07/2008
Living Over the Shop	6/4/2001	31/07/2008
Park & Ride	1/7/1999	31/07/2008
Student Accommodation (note 3)	1/4/1999	31/07/2008
Designated Islands	1/8/1996	31/12/1999
Countrywide Refurbishment Scheme (note 4)	6/4/2001	31/07/2008

Notes to Table 2

1) There are two types of residential tax relief, ‘section 23’ type relief and owner-occupier relief. ‘Section 23’ type relief (rented residential relief) is given, in its entirety, as a deduction from rental income in the year the property is first let under a qualifying lease. If there is insufficient income to absorb the relief it is carried forward as a rental loss until used up. Therefore, there is no standard writing off period – it could vary from 1 year to indefinitely as it depends on the ability of the investor to absorb the relief. In contrast, owner-occupier relief is granted at a fixed annual rate over 10 years, i.e. at 5% of the qualifying expenditure in respect of expenditure on construction or at 10% in respect of expenditure on refurbishment.

2) 1/6/1998 for ‘section 23’ type relief and 6/4/1999 for owner/occupier relief.

3) ‘Section 23’ type relief only.

4) Relief is available under the Countrywide Refurbishment Scheme in respect of rented residential property that is located anywhere in the country. Unlike ‘section 23’ type relief for designated areas, the qualifying expenditure is written off at a rate of 15% per annum in the first 6 years and 10% in year 7.

ANNEX 3 – COST OF SCHEMES (note 1)				
	2007 (note 2)		2008 (notes 2 & 3)	
SCHEMES	Amount Claimed	Tax Forgone	Amount Claimed	Tax Forgone
	€m	€m	€m	€m
Urban Renewal	280.0	109.3	224.6	84.5
Town Renewal	86.1	34.6	60.5	23.7
Seaside Resorts	20.3	8.0	14.5	5.7
Rural Renewal	121.9	48.5	84.6	34.2
Multi-storey car parks	24.0	9.6	16.8	6.6
Living over the Shop	8.0	3.0	6.1	2.5
Enterprise Areas	7.0	2.8	6.2	2.5
Park & Ride	3.3	1.4	1.7	0.7
Holiday Cottages	30.7	12.4	26.8	10.8
Hotels	307.1	118.0	300.6	114.7
Nursing Homes	45.3	18.3	47.6	19.4
Housing for the Elderly/Infirm	6.3	2.6	7.4	3.0
Hostels	1.76	0.72	1.62	0.66
Guest Houses	0.06	0.02	0.26	0.11
Convalescent Homes	1.2	0.5	1.3	0.5
Qualifying (Private) Hospitals	29.3	12.0	28.9	11.8
Qualifying Sports Injury Clinics	4.3	1.8	3.7	1.5
Buildings used for childcare purposes	24.2	9.8	29.9	12.0
Mental Health Centres	0.3	0.1	0.2	0.0
Student Accommodation	108.7	42.0	58.0	22.7
Registered Caravan Parks	N/A	N/A	1.5	0.6

Notes to Table 3

1) The information available on the cost to the Exchequer is based on personal income tax returns filed by non-PAYE taxpayers (Form 11) and corporation tax returns filed by companies for the years 2007 and 2008, the latest year for which this information is available. Data for 2009 cannot be provided as the tax returns for this year are yet due.

It should be noted that any corresponding data returned by PAYE taxpayers in the income tax return (Form 12) is not captured in the Revenue computer system. However, any PAYE taxpayer with non-PAYE income greater than €3,174 is required to complete an income tax return (Form 11).

2) The estimated relief claimed has assumed tax forgone at the 41% rate for 2007 and 2008 in the case of individuals and 12.5% in the case of companies for both years. The figures shown correspond to the maximum Exchequer cost in terms of income tax and corporation tax.

3) The figures for 2008 are subject to adjustment in the event of late returns being filed or where returns already filed are subsequently amended.