

Residential Premises Rental Income Relief

Part 15-03-04

This document should be read in conjunction with sections 10, 96, 97, 305, 384, and 408C Taxes Consolidation Act 1997

Document created August 2024

Table of Contents

Introduction	3
1 Who can claim residential premises rental income relief?	3
1.1 Qualifying Premises	3
1.2 Other Eligibility criteria	4
1.3 Connected Parties.....	5
2 Claiming RPRIR	6
2.1 Amount of RPRIR	6
2.2 How to claim RPRIR	7
3 What happens when a property is owned by more than one landlord?	7
4 When will a clawback of the relief occur?	8

Introduction

Section 21 Finance (No. 2) Act 2023 inserted section 480C into the Taxes Consolidation Act 1997 (TCA), which provides for a new income tax relief for individual landlords of rented residential property. The relief can reduce the tax due on rented residential income by up to €600 in 2024, €800 in 2025 and €1,000 in 2026 and 2027.

This Manual sets out:

- who can claim residential premises rental income relief (RPRIR),
- how much relief can be claimed,
- how the relief will operate where there is more than one owner, and
- when a clawback of relief will occur.

1 Who can claim residential premises rental income relief?

Residential premises rental income relief ('RPRIR') is available to all individual landlords of 'qualifying premises'. Relief is not available to companies or other entities such as trusts or partnerships.

1.1 Qualifying Premises

'Qualifying premises' is defined in section 480C(1) TCA as a rented residential premises situated in the State that is:

- on 31 December in a year of assessment, owned by the landlord claiming relief, and is either
 - occupied by a tenant
 - under a tenancy registered with the Residential Tenancies Board,
 - is let by the landlord to a public authority, or
 - is a property to which Part II of the Housing (Private Rented Dwellings) Act 1982 applies (this refers to formerly rented controlled tenancies);
 - or
 - where the premises is not occupied by a tenant, the landlord is actively marketing the premises for rent.

Where RPRIR is claimed on the basis that the property is being actively marketed for rent, the landlord will be required to substantiate this (for example, by producing copies of advertisements for the letting.)

Example 1: An individual landlord owns a residential property that has been let to an unconnected tenant for several years and on 31 December 2024 is occupied by this tenant. The property is one to which Part II of the Housing (Private Rented Dwellings) Act 1982 applies.

In this case, the property is a qualifying premises. The landlord is eligible to claim RPRIR for 2024 provided they meet the other requirements for claiming relief including complying with their LPT obligations in respect of all qualifying premises and holding valid tax clearance on 31 December in the year for which relief is being claimed.

Example 2: An individual landlord owns a residential property that is let to a public authority and occupied by social housing tenants. These tenants are in situ on 31 December 2024.

This property is a qualifying premises and provided the landlord has, on 31 December 2024, complied with their LPT requirements in respect of this and any other qualifying premises and has a valid tax clearance certificate, the landlord is eligible to claim RPRIR.

Example 3: An individual landlord owns a residential property that has been let to a tenant for several years. During 2024, these unconnected tenants leave the property. The landlord listed the property for rent on several rental websites. However, the property was not occupied by tenants on 31 December 2024. The landlord did not secure another tenant for the property until March 2025.

Although the property was not occupied by a tenant on 31 December 2024, the landlord is eligible for RPRIR provided they comply with the other requirements of the relief, including complying with LPT obligations and holding valid tax clearance at the year-end. Although the property was unoccupied at the end of the year, it was actively being marketed for rent. The landlord may be required to produce evidence of advertisements etc. to verify that the property was being actively marketed for rent.

1.2 Other Eligibility criteria

For each year of assessment for which RPRIR is claimed, a landlord must, on 31 December in that year, be –

- compliant with their LPT obligations in respect of all qualifying premises, and
- have a valid tax clearance certificate issued in accordance with section 1095 TCA.

Example 1: An individual landlord owns four rented residential properties. All four properties are considered “qualifying premises” for the purposes of RPRIR – they are each owned by the landlord and let to tenants under tenancies registered with the RTB.

On 31 December 2024, the landlord has not paid the LPT owing in respect of one of these properties and is therefore not compliant with their LPT obligations. Although the landlord is compliant with their LPT obligations for their other qualifying premises, the landlord is not eligible for RPRIR for 2024. If the landlord discharges LPT owing for 2024 and complies with their other LPT obligations for 2025, they may be entitled to RPRIR for 2025.

1.3 Connected Parties

RPRIR is not available where any of a landlord’s qualifying premises are occupied by a tenant who is —

- connected to the landlord by virtue of section 10 TCA, or
- an uncle, aunt, niece or nephew of the landlord or of a spouse or civil partner of the landlord.

If RPRIR is claimed in a year of assessment and the landlord subsequently lets any of their qualifying premises to a connected person, all RPRIR claimed will be recouped by Revenue.

Example 1: An individual landlord owns two residential properties, both of which are considered qualifying premises for the purposes of RPRIR and are let to unconnected tenants for the duration of 2024 and 2025. The landlord is eligible for RPRIR for 2024 and 2025 provided they have complied with their LPT obligations in respect of both properties for 2024 and 2025 and on the 31 December in each year, holds valid tax clearance.

In 2026, the tenants of one of these properties moves out. Following their departure, a child of the landlord moves into the property. As one of the landlord’s qualifying premises is now occupied by a connected person, the landlord is not entitled to claim RPRIR for 2026 and the amount of relief claimed by the landlord for all qualifying premises for 2024 and 2025 is clawed back. For further details on the operation of the clawback see paragraph 4 below.

Example 2: An individual landlord owns a residential property. During 2024 and 2025, the property is rented to the landlord’s nephew. Although the property is considered a qualifying premises for the purposes of RPRIR, and the landlord is otherwise compliant with their LPT obligations and has a valid tax clearance certificate, the landlord is not eligible to claim RPRIR as the qualifying premises is let to a connected person.

In 2026, the landlord’s nephew vacates the property. Following his departure, the landlord lets the property to an unconnected person. Subject to complying with the other eligibility requirements (RTB registration, LPT compliant and valid tax clearance) the landlord may be eligible to claim RPRIR for 2026.

2 Claiming RPRIR

2.1 Amount of RPRIR

The amounts of RPRIR that may be claimed by a landlord is dependent on—

- the year of assessment for which relief is being claimed, and
- the amount of the landlord's Schedule D Case V residential rental income, after relief for capital allowances and Schedule D Case V losses carried forward.

The relief is only available against rental income from qualifying residential premises, and cannot be offset against profits from commercial rents or from non-qualifying residential premises. It cannot generate a refund.

The maximum amount of RPRIR that can be claimed is set out below:

2024	The lesser of €600 or 20% of the landlord's Case V profits from residential rental premises, after relief for capital allowances and Case V losses forward
2025	The lesser of €800 or 20% of the landlord's Case V income from residential rental premises, after relief for capital allowances and Case V losses forward
2026	The lesser of €1,000 or 20% of the landlord's Case V income from residential rental premises, after relief for capital allowances and Case V losses forward
2027	The lesser of €1,000 or 20% of the landlord's Case V income from residential rental premises, after relief for capital allowances and Case V losses forward

Restricting the amount of relief available to the lesser of the amount specified above or 20% of the landlord's Case V income from residential rental premises, after relief for capital allowances and Case V losses forward ensures the relief can only be claimed against a landlord's Case V rental income from residential premises and that the relief will not result in the taxpayer being entitled to a repayment of tax.

Relief reduces a landlord's liability to income tax only. It does not reduce a landlord's liability to Universal Social Charge (USC) or Pay Related Social Insurance (PRSI).

2.2 How to claim RPRIR

RPRIR is claimed in the same manner as other tax credits. It is claimed by—

- chargeable persons¹ (generally, persons with self-employed or self-assessed income) on their income tax return and self-assessment for the relevant year (Form 11), and
- non-chargeable persons² (generally, people whose sole or main source of income is employment income subject to PAYE deductions) on a Form 12 income tax return.

The relief is available on a self-assessment basis. The onus is on each individual landlord to—

- satisfy themselves that they are eligible for relief in a given year of assessment, and
- to calculate the amount of RPRIR to which they are entitled. This involves calculating the Case V rental income from their qualifying premises, after deduction of capital allowances relief for any Case V losses forward. The Case V losses can include losses from all Irish rental properties.

3 What happens when a property is owned by more than one landlord?

Where a property is owned by more than one individual, relief is apportioned between owners based on the rents to which each owner is entitled. This includes situations where a property is jointly owned by spouses or civil partners.

For example, if a qualifying premises is owned by three individual landlords, one of whom is entitled to 50% of the rents and the other two of whom are each entitled to 25% of the rents, the landlord who is entitled to 50% of the rent will receive 50% of the relief available with each of the other two landlords each receiving 25% of the relief.

Where a landlord owns a share in a qualifying premises but also fully owns another qualifying premises in their own right, there is no requirement to apportion the relief available. In these circumstances the landlord is entitled to the full amount of RPRIR available based on the qualifying premises that landlord owns outright.

Where a landlord owns a share in several properties and does not own any one property fully in their own name, the relief to which they are entitled will be based on the property in which they have the largest ownership share.

¹ A chargeable person for self-assessment purposes of a person who is chargeable to tax on that person's own account or on another person's account in respect of a chargeable period.

² A non-chargeable person includes an individual with PAYE income and income from non-PAYE sources where the total non-PAYE Income assessable to tax does not exceed €5,000 and is taken into account in determining the individual's tax credits and standard rate cut-off point.

For example, if a landlord has an 80% share in one property, a 60% share in another and 55% share in a third property, the relief that landlord is entitled to will be based on the property in which they hold the highest share, which in this case is 80%.

Example 1: A rented residential property is owned by three landlords. Landlord 1 owns an 80% share of the property. Landlords 2 and 3 own 10% each.

The annual rent after capital allowances and losses forward is €8,000. In 2024 the maximum amount of relief that can be claimed is €600. The relevant amount in this case is €1,600 (Case V profits after losses forward and capital allowances of €8,000. 20% of the relevant amount is €1,600). In these circumstances, the amount of RPRIR available is €600.

The relief of €600 must be apportioned between the three individuals based on the proportion of rent they receive. Landlord 1 is entitled to €480 (€600@80%) and Landlords 2 and 3 are entitled to relief of €60 each (€600 @ 10%).

Example 2: A landlord holds 2 rented residential properties, one in their own name and a 50% share in the other property.

The 2024 Case V profits from property 1 (after capital allowances and Case V losses forward) is €10,000 and their share of the Case V profits from property 2 (after capital allowances and Case V losses forward) is €14,000.

There is no requirement to apportion relief as the landlord owns one property outright. The amount of RPRIR is calculated based on the Case V profits from property 1.

In these circumstances, the landlord is entitled to RPRIR of €600 for 2024 as this is less than 20% of €10,000 (€2,000).

4 When will a clawback of the relief occur?

RPRIR will be clawed back where, within four years of the first year in which relief was claimed, the landlord ceases to be a landlord of any of the qualifying premises rented during the first year in which relief was claimed. This may include where a landlord disposes of any of their qualifying premises or otherwise removes any of these properties from the rental market.

Where the use of the property is changed from a residential letting to some other use such as short-term letting, this change of use will also trigger a clawback of relief.

Renting the property to a connected party or a relative will also trigger a clawback of relief claimed.

The relief will not be clawed back where the property is not being rented but is actively being marketed for rent.

Example 1: A landlord owns one qualifying premises which is let to an unconnected tenant in 2024, 2025 and 2026. The landlord claims the maximum of RPRIR for each of these three years of assessment. In 2027, the landlord sells this qualifying premises. The sale of this property triggers a clawback of the relief claimed for the three years (2024, 2025 and 2026), as the disposal took place within 4 years of the first year of assessment in respect of which relief was claimed.

Example 2: A landlord owns a qualifying premises that is let to an unconnected tenant during 2024 and the start of 2025. In June 2025 the tenant leaves the property. The landlord then advertises the property as a short-term holiday let. The landlord has ceased to be a landlord of a qualifying premises within 4 years of first claiming relief, because the property is no longer a residential tenancy. This means the relief claimed in 2024 will be clawed back. The landlord is not entitled to relief for 2025 as the property does not come within the definition of “qualifying premises” for 2025.