

Vacant Homes Tax

Part 22B-01-01

This document should be read in conjunction with section with Part 22B of the Taxes Consolidation Act 1997

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1 Overview

Vacant Homes Tax (VHT) was introduced by Section 96 of the Finance Act 2022 and is contained in Part 22B of the Taxes Consolidation Act 1997 (TCA 1997).

VHT is an annual self-assessed tax that applies to vacant residential properties in certain circumstances.

A residential property will be within the scope of VHT if it has been in use as a dwelling for less than 30 days in a chargeable period (1 November to 31 October). See [section 2.2](#) for more information.

For the first chargeable period from 1 November 2022 to 31 October 2023, VHT was charged at three times the base Local Property Tax (LPT) rate (the rate excluding any local adjustment factor) on the value of habitable residential properties, which had been used as a dwelling for less than 30 days in that chargeable period. For all future chargeable periods, the rate of the tax is five times the property's base LPT rate (excluding any local adjustment factor). VHT is charged in addition to LPT. Further information on LPT rates is available [here](#).

There are a number of situations where a property is used for less than 30 days in a chargeable period, but the tax will not apply. See [section 2.3](#) for more information.

There are also a number of scenarios where an exemption from the tax can be claimed, even where a property is used for less than 30 days in a chargeable period. See [section 6](#) for more information.

Each chargeable period commences on 1 November and ends on 31 October of the following year. Owners of vacant properties are required to self-assess their liability to VHT by looking back over the previous chargeable period to determine if their property was in use as a dwelling for less than 30 days in that chargeable period. Where a property has been in use for less than 30 days, a return must be filed electronically within 7 days of the end of the relevant chargeable period, i.e. by 7 November.

A register of vacant homes and associated chargeable persons is being established by Revenue and will be continually updated as necessary.

1.1 Decision Tree to assist in understanding when VHT applies

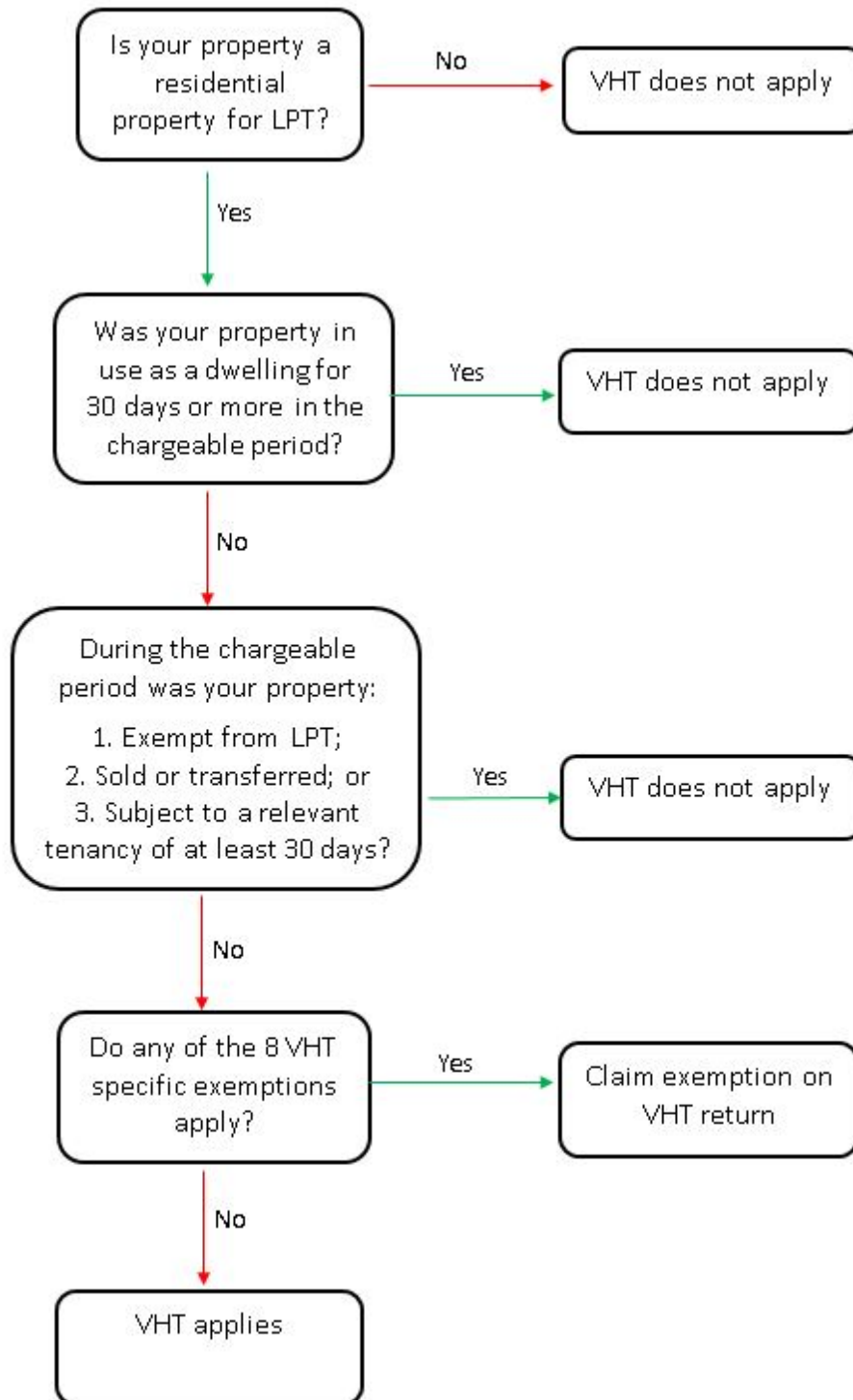


Figure 1: Decision Tree A: Charge to VHT and scope of VHT

2 Properties within the charge to VHT

For a property to be within the charge to VHT, and for VHT to apply it must be -

- (1) a residential property; and
- (2) in use as a dwelling for less than 30 days.

2.1 Residential Property

The definition of residential property for VHT is the same as the definition for LPT. A residential property is defined in Section 2A of the Finance (Local Property Tax) Act 2012 as amended ('the Act') and essentially means any building which is in use as, or is suitable for use as, a dwelling.

Further information on the meaning of residential property is available in the LPT Tax and Duty Manual (TDM) [Part 01-01](#).

2.2 In use as a dwelling for less than 30 days

The term 'dwelling' is not defined in the legislation and therefore should be given its ordinary and colloquial meaning.

A dwelling is a place where a person lives either on a temporary or on a permanent basis (for more information, see paragraph 3.2.1 of LPT TDM [Part 01-01](#)).

The term 'in use as a dwelling' is also not defined in the VHT legislation and therefore should be given its ordinary and colloquial meaning. 'In use as a dwelling' means that a person lives in or occupies the property for normal living activities (e.g. eating, sleeping, relaxing, etc.).

For VHT to be chargeable, a property must have been in use as a dwelling for less than 30 days in the chargeable period.

Whether a property was in use as a dwelling for a day, is determined by what the property was used for. In general, for a property to be considered to be in use as a dwelling for the purposes of constituting one day, it should be used for normal activities (eating, etc.) and be occupied overnight.

Example 1

Kay has a property in West Clare. She uses it as her holiday home and stays there overnight for 10 nights in December and 14 nights in June. She allows her friend Mary to use it as a holiday home. Mary stays there overnight for 7 nights in July. As the property was occupied as a dwelling for a total of 31 nights in the chargeable period (1 November to the following 31 October), it is not liable to VHT.

In exceptional circumstances, a property would still be used as a dwelling for a day even if no person has slept overnight in the property, for example where a person works at night-time but returns to the property after his or her shift ends and uses the property for sleeping, eating, relaxing, etc.

There will be situations where a person may use two different properties as their dwelling on a particular day, e.g. someone who works in one location but spends weekends in another location. The property he or she occupies overnight is the property occupied as a dwelling on that day.

Example 2

Marie works in Dublin and stays during the week in a property she owns in Dublin. She also owns a property in Galway and sometimes stays there at the weekends. Both properties are not used by anyone else. As she stays in Dublin Sunday night to Thursday night inclusive, her property in Dublin is in use as a dwelling for those 5 nights. When she stays in Galway on Friday and Saturday nights, her Galway property is in use as a dwelling for those 2 nights. As long as both properties are in use as a dwelling for 30 days or more in total in the chargeable period (1 November to the following 31 October) no VHT will be payable on either property.

The following are examples of what would not qualify as 'use as a dwelling':

- Use of a property for storage of personal belongings;
- Intermittent maintenance visits to a property.

2.3 Residential Properties outside the scope of VHT

Certain residential property is outside of the scope of VHT:

- Property exempt from LPT;
- Property subject to a bona fide tenancy for a period of at least 30 days in the chargeable period; and
- Property which changed ownership during the chargeable period either by way of gift, sale, inheritance or a compulsory purchase.

2.3.1 Property exempt from LPT

A property is outside the scope of VHT for any chargeable period for which there is no liability to LPT. For example, any property exempt from LPT on 1 November 2023 (the liability date for LPT for the calendar year 2024) will be exempt from VHT for the chargeable period 1 November 2023 to 31 October 2024, as the property was exempt from LPT at the start of the chargeable period.

The categories of residential property that are currently exempt from LPT (if they meet the required qualifying conditions) are those that are:

- fully subject to commercial rates;
- vacated due to a long-term mental or physical infirmity of the liable person where that property was the sole or main residence of the liable person;
- a registered nursing home;
- used by a charity to provide special needs accommodation;
- used by a charity in connection with the provision of recreational activities;
- certified as affected by significant pyrite damage and accepted into the pyrite remediation scheme before 22 July 2023;
- purchased, built or adapted for occupation by a permanently and totally incapacitated person;
- owned by a North-South Implementation Body under the British-Irish Agreement Act 1999; or
- constructed with Defective Concrete Blocks where a certificate of eligibility under the Defective Concrete Blocks scheme has issued.

Further information on LPT exemptions can be found on the Revenue website [here](#).

2.3.2 Subject to a Relevant Tenancy

A property will be outside the scope of VHT if it is subject to a 'relevant tenancy' for a minimum period of 30 days in the chargeable period. A 'relevant tenancy' is defined as a tenancy:

- that has been made between a landlord and tenant who are not connected with each other; and
- which has been registered with the Residential Tenancies Board (RTB).

'Connected' takes its meaning from Section 10 TCA 1997. For further information see [TDM Part 19-02-09](#).

2.3.3 Ownership changed during the chargeable period

A property will be outside the scope of VHT if it has been the subject of a sale in the chargeable period. 'Sale' is defined very broadly and includes when a property changes hands as a result of a gift, inheritance or a compulsory purchase.

3 Chargeable Persons

The chargeable person for VHT is the same as the liable person for LPT purposes. The chargeable person for VHT is:

- The owner;
- Tenants where a lease is for 20 years or more (other than leases entered into between a tenant and a local authority);
- Landlords who enter into a lease with local authority or approved housing bodies for less than 20 years, or after 21 July 2021;
- Someone with a right to reside in the property to the exclusion of all others for life or at least 20 years;
- Personal representative of the deceased property owner;
- Trustee of a property held in trust; or
- Where none of the above apply, an occupant of a property on a rent-free, or unchallenged basis (where there is no other designated chargeable person).

Where there is more than one chargeable person in relation to a property (e.g. jointly owned properties), only one return is required to be prepared and delivered by the 'designated chargeable person'. This is the chargeable person who meets the first of these criteria:

- The person nominated by joint election of all chargeable persons and whose name, address and PPSN are notified in writing to Revenue;
- The person who complied with the Household Charge responsibilities for the property;
- The person who complied with the Non-Principal Private Residence (NPPR) responsibilities for the property;
- The assessable spouse or civil partner where the property is jointly owned by a married couple or civil partners;
- The precedent partner if the property is owned by a partnership;
- The chargeable person with the highest total income;
- The person who is not a company if the property is owned jointly with one or more companies; or
- The person who is resident or ordinarily resident in Ireland, where the property is owned jointly with person(s) who are not.

In certain circumstances, Revenue may select the designated chargeable person where they are of the opinion that he or she is more appropriate than the person who would otherwise be the designated chargeable person, or the process outlined above does not identify a designated chargeable person. Where this happens, Revenue will notify all the chargeable persons of its decision. Any of the chargeable persons may then appeal this decision to the Tax Appeals Commission (TAC). The appeal must be lodged within a period of 30 days of the date of the notice containing the decision. Further details on how to lodge an appeal are available on Tax Appeal Commission's website [here](#).

Any return filed by the 'designated chargeable person' satisfies the obligations of the other chargeable person(s) and binds them jointly and severally liable for any unpaid tax, interest and penalties, where applicable.

4 Obligations of a chargeable person

The chargeable person is responsible for:

- Responding to any enquiries made by Revenue;
- Preparing and filing a VHT return where required (see section 4.2);
- Paying any VHT that is due; and
- Retaining relevant records for the purposes of VHT.

4.1 Confirming the status of a property

Revenue has certain powers, which are outlined below in [section 5](#). In the exercise of these powers, Revenue may make enquiries, including requesting a chargeable person to confirm whether or not his or her property / properties have been vacant in a chargeable period, i.e. in use as dwelling for less than 30 days.

4.2 Obligation to prepare and file a return

A chargeable person is obliged to file a VHT return online on or before 7 November following the end of the chargeable period –

- (1) If there is a liability to VHT in the period covered by the return;
- (2) If her or she is claiming one of the eight exemptions; or
- (3) Where Revenue issues a notice to a person directing that a return is required to be filed.

A return can be prepared and delivered by a person acting under the authority of the chargeable person. Such a return will be treated as if it had been filed by the chargeable person. A person acting under the authority of the chargeable person can carry out any action in relation to the return that is required of the chargeable person.

Where the chargeable person is a company, the return should be prepared and delivered by the company secretary. If a company is not registered in Ireland, a company secretary will be deemed to include an agent, manager or other company representative.

Where a return is required to be filed by a chargeable person, the person will be obliged to provide a self-assessment of the tax due in respect of the chargeable period to which the return relates.

The chargeable person will also be required to provide a declaration that the return is correct to the best of their knowledge and belief.

A 5% surcharge will apply where a VHT return is filed late. This increases to 10% where the return is filed more than 2 months late. In addition, a penalty may be applied where an incorrect return is filed or where there is a failure to file a return.

4.3 Payment of VHT

The rate of VHT for a vacant residential property is charged in addition to LPT at five times the base LPT rate (the rate excluding any local adjustment factor). This rate change came into effect as a result of Finance (No.2) Act 2023 and applies for the chargeable period from 1 November 2023 to 31 October 2024 and for all future chargeable periods. The amount of VHT payable for the first chargeable period from 1 November 2022 to 31 October 2023 was three times the base LPT rate. Any liability to VHT must be paid, or an agreed payment arrangement entered into, on or before 1 January immediately following the chargeable period, e.g. for the period 1 November 2023 to 31 October 2024, on or before 1 January 2025.

Statutory interest at 0.0219% per day may be applied on any unpaid VHT until the liability is discharged. When computing profits or gains for Income Tax, Corporation Tax or Capital Gains Tax, no deduction can be claimed for VHT and associated interest, surcharge or penalties.

Payment can be made online by:

- Credit or Debit card;
- Entering into an Advance Debit Instruction (ADI); or
- Monthly Direct Debit arrangement.

Example 3

David has a residential property in Fingal, County Dublin. David only used the property as a dwelling for 20 days during the chargeable period from 1 November 2022 to 31 October 2023. Since the property was in use as a dwelling for less than 30 days, there is a liability to VHT.

The value of David's property for LPT purposes is €500,000. The LPT amount due for a property in valuation property band number 5 is €495 for the above chargeable period. Fingal County Council applied a local adjustment factor to LPT, reducing their basic LPT rate by 7.5% for 2023 and 2024. Therefore, the actual LPT amount due on David's property for the year 2023 is €457.88 (€495 x 92.5%).

David's VHT liability does not take account of the 7.5% "local adjustment factor" reduction. The VHT for the first chargeable period from 1 November 2022 to 31 October 2023 is calculated as three times the base LPT rate. David's VHT liability for this chargeable period is €1,485 (€495 x 3).

David was due to file his VHT return for his property by 7 November 2023 and pay his VHT liability ("pay" in this context includes entering into a monthly direct debit or Advance Debit Instruction) by 1 January 2024. However, David did not file and pay his VHT return until 1 January 2025.

As David filed his VHT return over 2 months late, he will be subject to a surcharge of 10%. The surcharge is €148.50 (€1,485 x 10%).

As David paid his VHT 1 year (or 365 days) late, he is subject to interest on his late VHT payment of €118.70 (€1,485 x 0.0219% [the statutory interest per day] x 365).

A summary of David's total liabilities on 1 January 2025 are outlined below –

Item	Amount €	Notes
VHT due	1,485.00	Base LPT rate of €495 x 3
Surcharge	148.50	10% of VHT
Interest	118.70	€1,485 x 0.0219% x 365
Total due	1,752.20	

Example 4

Cora has a residential property in County Carlow. She lived in the property for more than 30 days during the chargeable period from 1 November 2022 to 31 October 2023. Cora decided to travel around the world for 2 years in September 2023 and her property has remained vacant for these 2 years. VHT will apply to Cora's property for the period from 1 November 2023 to 31 October 2024 as it has not been used as a dwelling from more than 30 days during the chargeable period.

Cora paid a total amount of LPT for 2024 of €236. This was comprised of a basic LPT charge of €225 based on a property valuation of €215,000, plus an increase of €11 due to a 5% local adjustment factor increase in the basic LPT rate applied by Carlow County Council for 2024.

As the property was in use as a dwelling for less than 30 days in the chargeable period from 1 November 2023 to 31 October 2024, Cora's VHT liability will be calculated as five times the basic LPT rate. The adjustment applied by the local authority is disregarded. This means that her liability to VHT for this period will be €1,125 (€225 x 5).

4.4 Retention of records

A chargeable person must keep appropriate records relating to relevant properties.

'Records' is not defined but includes books, accounts, documents, and other data relating to:

- the use of a residential property in a chargeable period,
- the residential property being outside of the scope of VHT where that is what is determined by the chargeable person, and
- any claim made for a VHT specific exemption.

The records to be retained may include, but are not limited to, the following records in relation to the use of the residential property during the chargeable period:

- electricity bills or gas bills demonstrating the units used and where available, the date and/or time of use;
- bills from a person who holds a permit to collect waste under the Waste Management (Collection Permit) Regulations 2007 showing details of the waste collected;
- evidence of all short-term lettings; and

- a statutory declaration by the chargeable person that the property was in use as a dwelling for 30 days or more in the chargeable period.

Records must be kept in English or in Irish, and in written, electronic, photographic, or other approved form. Further guidance on 'records' is available in [TDM Part 38-03-17](#).

Records are required to be kept for VHT purposes for the longer of the following periods:

- 6 years from the end of the year in which the chargeable period ends i.e. 31 December 2029 for the chargeable period 1 November 2022 to 31 October 2023; or
- until the completion of any enquiries made by Revenue, where such enquiries are made.

Where the chargeable person is a company that is wound up or dissolved, books and records must be kept for 5 years from the date of wind up or dissolution by the liquidator where a company is wound up, or the last directors where it's dissolved.

Where the death occurs of the chargeable person, the executor or administrator of their estate is responsible for retaining the records for a period of 5 years from the date of death.

A penalty of €3,000 will apply to any person who fails to keep requisite records relating to VHT.

5 Revenue powers: enquiries, assessments, notice to produce records, etc.

Under VHT legislation, Revenue has powers to –

- Require a chargeable person to file a VHT return;
- Make enquiries, Revenue assessments and amended Revenue assessments; and
- Request that chargeable persons provide certain records.

5.1 Power to make enquiries and assessments

A Revenue Officer can make enquiries that he or she deems necessary for the purposes of, among other matters, being satisfied as to whether a person is liable to pay VHT for a chargeable period.

A Revenue Officer can make a Revenue assessment, amend a Revenue assessment or a VHT self-assessment. Such assessments can be appealed to the TAC within 30 days. Further information on appealing assessments is available [here](#).

In general, the time limit for the making of enquiries, assessments and amending assessments is 4 years from the end of the chargeable period in which a VHT return was filed. There are a number of exceptions to the four-year rule:

- (a) Where a chargeable person, who is obliged as per [section 4.2](#) to file a return, fails to file a return for a chargeable period;
- (b) Where a Revenue officer is not satisfied with the sufficiency of a return on the basis of information received in that regard;
- (c) Where a Revenue officer has reasonable grounds for believing that a return is not a full and true disclosure of all material facts; or
- (d) Where a Revenue officer has reasonable grounds for believing that any form of fraud or neglect has been committed.

5.2 Notice to provide records and property deemed vacant

Revenue may require a chargeable person, by notice, to provide records demonstrating that a property was in use as a dwelling for 30 days or more in a chargeable period.

Where such a notice issues, the timeframe within which the records are to be provided to Revenue will be specified in that notice.

Where Revenue is not satisfied that the records provided in response to the notice demonstrate that the residential property was in use as a dwelling for 30 days or more in a chargeable period, a further notice will issue which will:

- inform the chargeable person of the decision;
- offer an opportunity to provide further records demonstrating the use of the residential property within a time frame specified in the notice; and
- inform the chargeable person that the residential property will be deemed to be within the charge to VHT.

Where no records are provided in response to the notices, a further notice will issue which will:

- offer a further final opportunity to provide records demonstrating the use of the residential property, and
- inform the chargeable person that the residential property will be deemed to have been in use as a dwelling for less than 30 days in the chargeable period where:
 - Revenue ascertains that the records provided do not sufficiently demonstrate that the residential property was in use as a dwelling for 30 days or more in the chargeable period, or
 - where the chargeable person does not provide any records in response to a notice.

Where a property is deemed to have been in use as a dwelling for less than 30 days in a chargeable period in one of the circumstances outlined above, a charge to VHT will arise in respect of that property. A written notice to that effect will be served on the chargeable person.

The chargeable person may appeal the decision to deem their property to have been in use as a dwelling for less than 30 days in a chargeable period to the TAC. The

appeal must be lodged within a period of 30 days of the date of the notice containing the decision that the property was deemed to have been in use as a dwelling for less than 30 days. Further information on making an appeal is available [here](#).

6 Exemptions

VHT applies to a vacant residential property for a chargeable period (1 November to the following 31 October). However, the legislation provides for a number of exemptions from VHT that may be claimed on a VHT return (see [section 4.2](#)). The qualifying conditions must be satisfied for the chargeable period for which that exemption is claimed. The legislation also requires a chargeable person who claims an exemption to retain documents to demonstrate that he or she was entitled to the benefit of the exemption for the chargeable period in respect of which it was claimed (see [section 4.4](#)).

There are eight scenarios where an exemption can be claimed -

- Property where the owner has died;
- Property where a Grant of Representation was issued;
- Property actively marketed for sale;
- Property actively marketed for rent;
- Property subject to certain Court Orders;
- Property that underwent structural works;
- Property unoccupied due to illness of owner; and
- Property owned by a North-South implementation body.

Further information on these exemptions is available on the Revenue website ([here](#)).