

Help to Buy (HTB) Incentive

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1. What is the Help to Buy (HTB) Incentive?

The HTB incentive is designed to assist first-time buyers with obtaining the deposit required to purchase a home or first-time home owners looking to build their own home (self-builds).

The main provisions, as set out in the Finance Bill (subject to approval of the Oireachtas) are outlined below.

2. Who is entitled to claim?

A first-time buyer of a house or apartment who purchases or self-builds a new residential property between 19 July 2016 and 31 December 2019 may be entitled to claim a refund of income tax and Deposit Interest Retention Tax (DIRT) paid over the previous four years.

The first-time buyer must not have either individually or jointly with any other person (directly or indirectly), previously purchased or built a house or apartment. Where more than one individual is involved in purchasing or building a new home, all of the individuals must be first-time buyers.

The property must have been purchased or built as the first-time buyer's home. It does not include properties acquired for investment purposes.

The property must be occupied by the first-time buyer, or at least one of the first-time buyers in the case of multiple first-time buyers (a group), for a period of five years from the date the property is habitable.

3. When am I entitled to claim?

Eligible first-time buyers can claim the relief by applying online to Revenue from 3 January 2017.

The purchase or self-build must take place between 19 July 2016 and 31 December 2019.

To be eligible to apply for the Help to Buy incentive, a first-time buyer must have signed a contract to purchase a new build property on or after the 19th July 2016. In the case of a self-build home, they must have drawn down the first tranche of the relevant mortgage on or after that date.

In relation to the use of the word drawdown, Revenue will follow the standard meaning of mortgage drawdown as it is applied by the financial lending institutions. As transfers of mortgage funds are conducted electronically, a mortgage is deemed to have been drawn down as soon as

the relevant funds are debited from the individual's mortgage account. This is also the point from which the financial institution begins to calculate interest repayments on the loan.

Applications for properties purchased or self-built between 19 July 2016 and 31 December 2016 can also be processed from January 2017.

4. What am I entitled to claim?

First-time buyers are entitled to claim a refund of any income tax and DIRT paid over the previous four years.

Universal Social Charge (USC) or Pay Related Social Insurance (PRSI) are not taken into account.

The relief is confined to a maximum of 5% of the purchase price of a new home or in the case of self-builds 5% of the completion value of the property, up to a value of €400,000.

Where a first-time buyer signs a contract to purchase a new residence or in the case of a self-build, the first-time buyer draws down the first tranche of the relevant mortgage loan in the period from 19 July 2016 to 31 December 2016, then the new homes may be valued between €400,000 and €600,000. However, the maximum relief of €20,000 will continue to be available. No relief will be available for new purchases costing over €600,000 or self-builds valued at over €600,000.

In all other cases, the new homes must be valued at €500,000 or less.

5. What do I need to do before I apply?

Before you apply, you must be registered for [myAccount](#) (PAYE) or [ROS](#) (self-assessed).

The HTB incentive involves a refund of income tax and DIRT paid over the previous four tax years. However, it will be open to HTB claimants to select all or any of the previous four tax years for the purposes of calculating the HTB refund.

PAYE taxpayers need to submit a Form 12 (where they have not already done so) for each of the tax years they select. Online Forms 12 for 2013 onwards are available through myAccount and are pre-populated with your pay and tax details. A paper Form 12 for 2012 (if required) can be downloaded from our website. When you have completed the Form 12, you can scan it and then upload it in [MyEnquiries](#). To do this, you can click **Add New Enquiry**, and select "Help-To-Buy Scheme" and "Form 12 (2012)" from the dropdown options available under 'My Enquiry Relates To' and 'And More Specifically'. Then you attach the scanned Form 12 documentation and submit your enquiry.

Self-assessed taxpayers must be fully compliant and must therefore have paid and filed for the years in which they are a chargeable person. Online Forms 11 are available for all years through ROS.

6. How do I apply?

The online application can be made from 3 January 2017. However, taxpayers may file their Forms 11 or Forms 12, as appropriate, in advance of this date. There will be two stages to the HTB electronic process - an application stage and a claim stage.

Applications for properties purchased or self-built between 19 July 2016 and 31 December 2016 can also be processed from January 2017.

Additional information will be provided when the online application is available.

7. What information is needed to make a claim?

To make a claim, you must enter the required information online, confirming the:

- contract is signed (a copy of the signed contract must also be uploaded)
- balance of the deposit is paid / total deposit
- property details
- purchase price
- purchase date/completion date
- mortgage institution details
- mortgage approval details (including loan-to-value ratio)
- details of each first-time buyer
- portion of refund agreed for each first-time buyer (if a group)
- details of the Developer/Contractor (if property purchased)
- details of the Solicitor (if a self-build)
- proof of drawdown of the first tranche of the relevant mortgage (if a self-build)

Once the claim is submitted, as part of the claim process, the details will need to be verified by the Developer/Contractor in the case of a new build or a Solicitor, acting on your behalf, in the case of a self-build before the refund will be paid.

8. Can joint first-time buyers submit a claim?

Yes, two or more owners of the property can make a joint claim or can make individual claims. The maximum amount of relief available is €20,000 per property.

9. Can I make a claim as a first-time buyer if the joint owner isn't a first-time buyer?

No. All owners of the property must be first-time buyers to avail of the HTB relief.

10. Do I have to take out a mortgage to be eligible?

Yes. As the aim of the incentive is to help those struggling to put together the deposit required, there is a requirement that the first-time buyer take out a mortgage of at least 70% of the value of

the purchase price, or in the case of a self-build, 70% of the valuation approved by the mortgage provider. Cash-buyers are not eligible for the incentive.

11. I paid a deposit on my property prior to 19 July 2016, am I eligible to make a claim?

No. You must have signed a contract, or in the case of a self-build, drawn down the first tranche of the relevant mortgage (that is, the relevant funds are debited from your mortgage account) on or after 19 July 2016.

12. I was abroad working for the last few years, can I still avail of the incentive?

The relief is based on income tax and DIRT paid over the previous four years. You may be eligible for some contribution from the incentive depending on your circumstances. For example, if you had worked in Ireland in Year 1 and spent Years 2 to 4 abroad, you may still qualify for some relief in respect of the income tax paid in Year 1.

13. I am retired and pay no tax, can I avail of the incentive?

The relief available is based on the income tax and DIRT paid over the previous four years. If you have paid income tax during that period you may be eligible for some relief. The amount will be dependent on the amount of income tax paid. Obviously, where no income tax has been paid, there is no tax available to refund. However, depending on your circumstances you may be eligible for a refund of any DIRT paid over the four year period.

14. What qualifies as a 'new build' in a self-build scenario? Does someone building a new house appended to an existing cottage qualify?

A new build is a property that has not been occupied before – extending a cottage would not qualify.

15. How is this purchase price calculated for self-builds? Does it have to include the market value of the site and can the site value be discounted from the "purchase price" if the site was gifted through inheritance?

The applicable price for self-builds is based on the valuation approved by the mortgage provider.

16. Will the property value be taken as it is displayed on the property price register?

The purchase price is the final price of the house.

17. "Subject to Oireachtas approval the incentive will be backdated to 19 July 2016" - what does this date refer to?

This date was chosen as it was the date of the launch of the "Rebuilding Ireland: Action Plan for Housing and Homelessness". The backdating of this incentive was announced at that time with a view to avoiding any potential interruption in house sales, by purchasers who may otherwise have deferred purchases, pending the announcement of full details of the incentive.

18. If I make an online claim in January 2017, how long will it take to receive the refund? Will it come in one lump-sum and how will I receive it?

Claims will be subject to normal refund checks and criteria.

19. If I decide to rent my property or sell it within the five year time frame, from the date the property is habitable - does this mean the refund might be clawed back?

Yes. Details on clawback provisions are provided (at Q. 24) below.

20. What is a qualifying contractor?

A 'qualifying contractor' is as a person who applies to Revenue for registration as a qualifying contractor and in respect of whom Revenue are satisfied is entitled to be so registered based on

- their evidence of tax compliance; which means that a contractor has a Relevant Contracts Tax (RCT) rate of zero or 20% and an up-to-date tax clearance certificate, and
- the details provided of qualifying residences which the contractor offers, or proposes to offer, for sale within the period that the incentive is available. The details should also include planning permission(s) and details of the freehold, leasehold estate or interest in the land on which the qualifying residences are constructed or to be constructed. Revenue may require other relevant information for the purposes of assessing an application as a qualifying contractor, and updates will be provided on an ongoing basis as the detail of the incentive is finalised.

21. How does a contractor apply for approval as a qualifying contractor?

Initially, contractors should provide the necessary information using [MyEnquiries](#) within [ROS](#) or [myAccount](#). Contractors who have a ROS digital certificate should access MyEnquiries under "Other Services" in the 'My Services' tab. Additional information on MyEnquiries is available in the Tax & Duty Manuals section of the website  [Part 37-00-36](#).

Contractors should click **Add New Enquiry**, and select "Help-To-Buy Scheme" and "Contractor Approval" from the dropdown options available under 'My Enquiry Relates To' and 'And More Specifically'.

Contractors should attach the necessary information and supporting documentation (as listed above). MyEnquiries can be used to attach up to 10 attachments, with each attachment up to 10MB in file size. As part of their application for approval, contractors should confirm their agreement to Revenue publishing their summary details as qualifying contractors.

22. Why is a qualifying contractor required to confirm agreement to Revenue publishing summary information?

Contractors will be required to confirm to Revenue their agreement to publication of their details so that first-time buyers can check the Revenue website to see if a contractor is approved by Revenue to operate the Help to Buy incentive.

23. Why are some rebates to be paid to contractors for purchases in the years 2017 to 2019?

The HTB rebate will take the form of a repayment of income tax and DIRT paid in the years selected for refund by you from the four tax years prior to making an application. Where a contract is signed for the purchase of a new dwelling in the period from 1 January 2017 to 31 December 2019, the rebate will be paid directly to the contractor as part of the deposit required from the purchaser. This will be treated by the contractor as a credit against the purchase price of the qualifying residence.

24. What are the clawback provisions?

There are a series of clawback provisions which are linked to entitlement to the rebate, ceasing occupation of a qualifying residence or non-completion of a purchase or non-completion of a qualifying residence. In the period from 1 January 2017 to 31 December 2019, contracts between first-time purchasers and qualifying contractors will result, subject to the consent of the purchasers, in the rebates being paid directly to the contractors as a credit against the purchase price or deposit of the qualifying residences.

‘Clawback’ from a qualifying contractor will happen where

(a) the qualifying residence is not subsequently purchased by the claimant within two years from the date of the making of the rebate payment to the contractor, or

(b) if, in the opinion of Revenue, there are reasonable grounds to believe that the purchase of the qualifying residence by the claimant will not be completed within that two year period.

There will be some flexibility around the two-year period where Revenue are satisfied that the qualifying residence is substantially complete at the end of the two year period or is likely to be completed within a reasonable period of time thereafter.

Once the residence is completed and conveyed to the first-time purchaser any further compliance responsibilities, such as the obligation to use the house as a principal private residence for a period of five years, become the sole responsibility of the purchaser as the developer cannot be held responsible for such matters.

25. Contact Information

Applicants	can contact us using MyEnquiries in myAccount (PAYE) or ROS or phone our LoCall service .
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Contractors	<p>should submit the necessary information using MyEnquiries (see Q. 21 above).</p> <p>can apply for electronic tax clearance in ROS.</p> <p>can access their RCT details from the eRCT system, and they can self-review within the eRCT system. Queries about RCT deduction rates may be directed to their local tax district.</p>
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