

NPPR (Non Principal Private Residence) charge

What is the NPPR (Non Principal Private Residence) charge?

At its simplest, the Local Government (Charges) Act 2009 introduces a €200 annual charge on non principal private residences, payable by the owner(s) of the NPPR to the Local Authority in whose area the property concerned is located.

What types of properties are liable for the NPPR charge?

The Local Government (Charges) Act 2009 starts from a position where it applies a charge to the owners of all residential property but goes on to exclude certain property or buildings from the definition of "residential property" and it also provides certain exemptions from the concept of ownership.

The most significant exemption is for a property which is the sole or main residence of the person who owns it. Residential property that has never been either sold or used as a residence is also exempt as is certain social housing. Properties in the Rental Accommodation Scheme are exempt. There are also limited exemptions where a person is moving house and, in the process, owns two houses for a relatively short period. Other exemptions deal with Local Authority housing, shared ownership housing (with a Housing Authority), some heritage buildings and, in certain circumstances, joint ownership of a property after a divorce or separation agreement. Residential property liable for commercial rates is also exempt (although few instances of such properties are anticipated).

The Act should be consulted about these exemptions. The main types of residential property that are liable for the charge are private rented property, vacant property (except new but unsold residences) and holiday homes.

What is a Non Principal Private Residence?

The Local Government (Charges) Act 2009 provides for a new annual charge on certain residential property. While the Act does not use the term "non principal private residence" as such, it does provide for an exemption from the charge for owners of residential property where the property in question is the "sole or main residence" of the owner concerned. This expression is also used in other tax legislation. Essentially, a non principal private residence is any dwelling which is not the owner's normal home.

How much is the charge?

The charge is set at an annual rate of €200 in 2009 per residence but late payment can incur a significant fee - see below.

How can I pay the charge?

You can pay the charge at the website www.nppr.ie. You will need a credit or debit card to pay the charge online. Local Authorities (City or County Councils) will accept completed NPPR registration forms. The payment types accepted with a registration form are credit card, debit card, bank draft, postal order and cheque. Payment should be made out to "LGCSB NPPR" and NOT to the local authority. You must also make a declaration of ownership of the property in question - see below.

What do I need to pay my NPPR property charge online?

To pay your NPPR charge online you will need (1) your PPS number (if individual) or tax reference number (if company); (2) the address of your NPPR property or properties and (3) your debit card or credit card details.

When does the charge apply? What's a liability date?

Liability to pay the charge is determined on the basis of ownership of the property in question on a single day each year. This date is called the "liability date". For 2009, 31st July has been set as the liability date. The charge must be paid within two months of the liability date (30th September in 2009).

I own a mobile home. Is this liable for the charge?

A mobile home is not liable for the 200 Euro charge.

I own an apartment/bedsit - am I liable for the charge?

Apartments and bedsits are liable for the charge. Unless one of the exemptions apply in your case (e.g it's your principal private residence), you will be liable for the charge.

I'm moving house and own two properties on a temporary basis – do I still need to pay the charge?

The exemption in respect of a principal, private residence applies in respect of one property only but the Act does permit the payment of a refund in certain circumstances where a person owns two properties on a liability date. The refund may apply where a person, in the course of moving house, owns two properties for a temporary period.

As stated, only one property can be a person's principal private residence at any given time, and a charge must be paid where a person owns a second property on a liability date even where this has been acquired as part of the process of moving house. A refund can be applied for where the second property was acquired within the year previous to the liability date in question and where the first property is disposed of within six months of the liability date in question. Owner can apply in writing to their local authority for a refund.

I'm divorced/separated - am I liable to pay the charge?

If a person is divorced or separated (judicial separation agreement having been granted) they will not be liable to pay the charge where they reside in what used to be the family home as their existing principal private residence. Where the other party to the divorce or separation agreement does not reside in the original family home but retains an interest in the ownership of the property on foot of the divorce or separation agreement, the Act provides that this person will not be liable for the charge in respect of the interest that they retain in what used to be the family home.

What's a declaration and what information must I provide?

You must also declare your liability for the charge when you are making the €200 payment. This declaration can be made through the web-site or in writing on the approved form, as part of the payment process in either case. In summary, you must provide the:

- Name of the owner of the property,
- Address of the property,
- Address for correspondence of the owner of the property
- Personal Public Service Number of the owner of the property in the case of a private ownership
- Tax reference of the owner where the owner is a company.

What's a "late payment fee"?

The Act provides that, if a charge is not paid within a month after the last date for payment, a late payment fee will apply for every month or part of month that the €200 charge remains unpaid. For 2009, this means that the late payment fee will apply to all payments made after 31 October 2009. The late payment fee amounts to €20 per month or part of a month. The late payment fee will continue to roll up as long as the charge remains unpaid and the amount involved can be substantial.

What happens if I don't pay?

A person who does not pay a charge within the relevant two month period leaves themselves open to prosecution by the Local Authority to whom the payment is due. A late payment fee will also arise if payment is not made within the one month grace period - see above. Furthermore, both the €200 charge and any accumulated late payment fee will be a charge against the property concerned. This is likely to lead to difficulties in selling the residential property as the person buying it would become liable for any charges and fees outstanding in respect of the property concerned.

Who pays the charge where a property liable for the charge is owned jointly?

Liability falls on all co-owners but payment by any one co-owner discharges the liability of all co-owners.

What if I'm selling my house - how do I prove that I have paid the charge?

You can request the relevant Local Authority to give you a certificate to this effect. This will be evidence of payment, and will formally discharge any liability in law for payment of the charge.

Is there an exemption for a person who had had to be taken into care because he/she is incapacitated due to illness, and who retains ownership of their house or apartment?

Yes. If a person has had to vacate their principal private residence (which they own) due to long-term incapacitation arising from physical or mental illness, the property is exempt from the charge irrespective of the use to which it is subsequently put. The exemption applies irrespective of whether they live in a nursing home or care centre, or whether they live with, and are cared for, by relatives. The only condition is that they must not own the property in which they now reside.

I own a 'granny flat' in which my parents live - am I liable for the 200 Euro charge?

Granny flats and similar dwellings are exempt subject to a number of conditions. The exemption applies to a dwelling in which a relative (or a relative of a spouse or partner) lives if it is provided free of rent and if it is located no more than two kilometres from the residence of the owner.