

TAX EXEMPTION FOR DWELLING HOUSE**INTRODUCTION**

Section 86 of the Capital Acquisitions Tax Consolidation Act 2003 provides that gifts or inheritances of a dwelling- house taken on or after **1 December 1999** will be exempt from capital acquisitions tax provided the following conditions are complied with -

- a) The recipient must have occupied the dwelling- house continuously as his/her only/main residence for a period of 3 years immediately prior to the date of the gift/inheritance. Where the dwelling- house has directly/indirectly replaced other property owned by the disponent, this condition may be satisfied where the recipient has continuously occupied both properties as his/her only/main residence for a total period of 3 out of the 4 years immediately prior to the date of the gift/inheritance;
- b) The recipient must not, at the date of the gift/inheritance, be beneficially entitled to any other dwelling- house or to any interest in any other dwelling- house
- c) **Gifts taken on or after 20 February 2007:** Any period during which a donee occupies a house that was during that period the disponent's only or main residence will be disregarded as a period of occupation in that house unless the disponent is compelled, by reason of old age or infirmity, to depend on the services of the donee for that period. Old age refers to a person aged 65 or over.
- d) **Gifts taken on or after 20 February 2007:** The house must be owned by the disponent during the 3 year period prior to the gift and, where the gifted house has replaced another property, each house must be owned by the disponent for the relevant part of the 3 year period that it was occupied by the beneficiary.
- e) The recipient must continue, except where such recipient was aged 55 years or more at the date of the gift or inheritance or has died, to occupy that dwelling- house as his/her only/main residence for a period of 6 years commencing on the date of the gift/inheritance. Where the dwelling- house is directly/indirectly replaced by other property, this condition may be satisfied where the recipient continuously occupied both properties as his/her only/main residence for a total period of 6 out of 7 years commencing on the date of the gift/inheritance. A recipient absent during any time through working abroad is considered to remain in continuous occupation of that dwelling house.

The exemption will not be withdrawn where a breach of the condition referred to at) above is as a result of the recipient requiring long term medical care in a hospital, nursing home or convalescent home or as a result of a condition being imposed by an employer on a recipient to reside elsewhere.

**Application for Relief under Section 86 of the Capital Acquisitions Tax
Consolidation Act 2003**

Donor Name

Beneficiary/Donee name

Date of Inheritance/gift

Revenue's File Reference No. (if known)

Date of birth of the beneficiary/donee

Did the beneficiary/donee occupy the dwelling- house continuously as his or her only or main residence for a period of 3 years prior to the date of the gift or inheritance *or*

Where the dwelling- house has directly or indirectly replaced other property, did the beneficiary/donee continuously occupy both properties as his/her only/main residence for a total period of 3 out of 4 years immediately prior to the date of the gift/inheritance?

Yes No

Was the beneficiary, at the date of the gift/inheritance, beneficially entitled to any other dwelling- house or to any interest in any other dwelling- house?

Yes No

For gifts taken on or after 20 February 2007:

Did the donor occupy the dwelling- house as his/her only/main residence during the period prior to the gift

Yes No

If answered "yes", please state

Date of birth of the donor

And/or

Nature of Infirmary

Note: If the dwelling house or any part thereof is sold or otherwise disposed of within six years of the date of gift or inheritance the exemption from tax may be withdrawn.

Signed

Capacity

Date

This form together with Form I.T. 38 should be sent to the relevant Capital Acquisitions Tax district/region.

LoCall: 1890 20 11 04

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