

Introduction

Income tax relief is available for individuals who pay service charges to local authorities and other independent contractors. Relief is given for service charges paid in full and on time in the previous calendar year.

Service Charges which qualify for relief

All service charges paid to:

- ◆ Local authorities for the provision of **domestic** water supply, **domestic** refuse collection or disposal, or **domestic** sewage disposal
- ◆ Group water schemes for **domestic** water supply
- ◆ Independent contractors for **domestic** refuse collection or disposal.

Individuals who qualify for relief

- ◆ An individual (or his/her spouse, if taxed jointly) who is liable for and pays the service charge on a premises will qualify for relief
- or**
- ◆ An individual (e.g. a son or daughter living with an elderly parent) who pays the service charge and lives on a full time basis in that premises may qualify for relief. In such a case the claim form attached to this leaflet should be submitted with the disclaimer section completed by the liable individual (e.g. the elderly parent).

Amount of tax relief

Tax relief is given at the standard rate of tax for any service charges paid (including the purchase of "Bin Tags") in the previous year. For example if an individual paid service charges of €240 in 2005 they will be entitled to a tax credit of €48 in 2006 (i.e. €240 x 20% = €48).

The Finance Act 2006 introduced new limits on the amount of relief that can be claimed. The limits set out below will apply to the amount of relief that can be claimed in respect of the following periods:

From the 1st of January 2007:

- ◆ The total tax relief that can be claimed for both **fixed charge** payments made (including lift charges and pay by weight) and bin tags purchased in 2006 will be subject to an overall limit of €400

Transitional Arrangements for Tax Year 2006:

- ◆ Where Local Authority **fixed charge** exceeds €400 in 2005 then the full amount of that fixed charge will be allowed.
- ◆ Relief claimed in respect of **bin tags** purchased in 2005 will be the lesser of the amount paid in 2005 or €400.
- ◆ Where an individual purchased **bin tags** and made **fixed charge** payments of less than €400 in 2005, a limit of €400 will apply in respect of the **total** amount paid on both.

For Years of Assessment 2002 up to and including 2005:

- ◆ Relief claimed in respect of **fixed charge** payments (including lift charges and pay by weight) will be allowed on the full amount paid in the previous year
- ◆ Relief claimed in respect of **bin tags** purchased in the previous year will be subject to a limit of €195
- ◆ Where an individual purchased **bin tags** and made **fixed charge** payments of less than €195 the previous year, a limit of €195 will apply in respect of the **total** amount paid on both.

Conditions for relief in respect of Local Authority service charges

- ◆ All service charges on the premises to which the service charge relates must be paid in full and on time for the previous calendar year
- and**
- ◆ Arrears from earlier years must be cleared in accordance with local authority conditions.

Conditions in respect of Non Local Authority service charges

The service charge(s) in question must be paid in full and on time **and** any service charges due to a local authority must also be paid in accordance with the above conditions. For example, if an individual wishes to claim for a specific annual payment to an independent contractor for domestic refuse collection, any charges due for **other** domestic services provided by the local authority must be paid in accordance with the conditions outlined in the previous paragraph.

Tax Relief for Service Charges Paid

Claimant's Name

Address

PPS Number

The above can be obtained from your Certificate of Tax Credits.

Tax year to which the claim relates

Amount paid **in full and on time** in the previous calendar year, in respect of:

Fixed Annual Charge/Lift Charge/
Pay by Weight

€

Bin Tags Purchased

€

Name of Local
Authority/Private
Contractor

Declaration which must be signed

I declare that all particulars in this form are correct to the best of my knowledge and belief.

Signature

Date

 / /

Phone No.

E-mail

Complete the details requested overleaf

The following section should be completed where the **Service Charges** were paid by someone resident in the home other than the person liable for the charges and where the liable person wishes to disclaim the relief in favour of the claimant

Name of Individual Disclaiming Relief

Address

I hereby disclaim any entitlement to tax relief under

Section 477 Taxes Consolidation Act 1997 for service

charges paid in the calendar year on my

behalf by

Signed

Date / /

How to claim tax relief

This relief can be claimed in a number of different ways.

- ◆ You can claim via the **Internet** through our new Paye Self Service facility by logging on to our website www.revenue.ie
or
- ◆ You can claim by **Text Message**. Simply text : “ **info credit bin**” to **51829** for instructions on how to claim relief in respect of **fixed charges** paid or text “**info credit bin tags**” for instructions on how to claim relief on **bin tags** purchased
or
- ◆ You can phone your **Regional PAYE LoCall Service** whose number is quoted below.
or
- ◆ You can complete and submit the **claim form** which is attached to this guide to your Local Revenue Office.

Further Information

This leaflet is for general information only. You can get further information by visiting Revenue’s website at www.revenue.ie or by phoning (within the Republic of Ireland only) your Regional Revenue Office whose LoCall number is listed below.

- ◆ **Border Midlands West Region** **1890 777 425**
Cavan, Monaghan, Donegal, Mayo, Galway, Leitrim, Longford, Louth, Offaly, Roscommon, Sligo, Westmeath
- ◆ **Dublin Region** **1890 333 425**
Dublin (City and County)
- ◆ **East & South East Region** **1890 444 425**
Carlow, Kildare, Kilkenny, Laois, Meath, Tipperary, Waterford, Wexford, Wicklow
- ◆ **South West Region** **1890 222 425**
Clare, Cork, Kerry, Limerick

If you are calling from outside the Republic of Ireland, please phone 00 353 (1) 647 4444.

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Revenue Commissioners
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