

Local Property Tax

LPT

**Guidelines for Deferral or Part
Deferral of Payment of LPT**

25 July 2013

Table of Contents

1. Introduction.....	3
1.1 Categories of Deferral.....	4
1.2 Interest and a Charge on the Property.....	4
1.3 Application for Deferral.....	4
1.4 Making a Payment.....	5
1.5 Change of Circumstances.....	5
1.6 Appeals against Revenue’s Refusal to Grant a Deferral.....	5
1.7 False Claims for Deferral.....	6
1.8 Further Information.....	6
2. Category A - Deferral Based on Income Thresholds.....	7
2.1 Application Process.....	7
2.2 Income Threshold Criteria.....	8
2.3 Termination of Income Threshold Deferrals.....	9
2.4 Income Based Deferral Examples.....	10
3. Other Deferral Options.....	14
3.1 Category B - Deferral Based on Personal Representative of a Deceased Liable Person.....	14
3.2 Category C - Deferral Based on Personal Insolvency.....	15
3.3 Category D - Deferral Based on Hardship Grounds.....	16
3.4 Supporting Documentation.....	18
3.5 Examples of Hardship Based Deferrals.....	18

1. Introduction

The Local Property Tax scheme includes arrangements whereby a person may opt to defer, or partially defer, payment of the tax if certain conditions are met. The Guide to Local Property Tax (LPT) booklet, which issued to properties with the LPT Return Form and is also available on www.revenue.ie, summarises the categories of deferral and partial deferral. This Guide to Deferral sets out in more detail the arrangements for deferral. Where a person qualifies for a full deferral then 100% of the liability can be deferred. Where a person qualifies for partial deferral then 50% of the liability can be deferred. Where a partial deferral is claimed, the person must select a payment option on the LPT1 Return Form to pay the balance of the liability.

Deferral is not an exemption. Payment of the tax is deferred – meaning that it becomes payable later and carries an interest charge. Where a person is considering deferral because he or she is concerned about his or her ability to pay LPT in a single payment then it may be more prudent to consider using one of the phased payment options that spreads payment in instalments across the year rather than seeking a deferral, which must be satisfied at a later date. The various payment options including phased cash payments and direct debit arrangements are detailed in the Guide to Local Property Tax booklet.

1.1 Categories of Deferral

There are four separate categories of deferral of LPT available, **Income Threshold, Personal Representative of a Deceased Person, Personal Insolvency and Hardship Grounds** and this Guide outlines the provisions relating to applications for deferral under each one. The duration of deferrals will vary according to the selected category and the particular circumstances of the claimant. However, in general, the duration of deferrals will coincide with the valuation period and will apply for periods of three years. However, Revenue may consider shorter or longer periods of deferral based on the specific circumstances of individual cases.

1.2 Interest and a Charge on the Property

Interest at a rate of 4% per annum will be charged on all amounts of LPT that are deferred. Any deferred amount, including interest, will be a charge on the property and will have to be paid to Revenue on the sale/transfer of the property.

1.3 Application for Deferral

Applications for deferral or partial deferral of LPT on the basis of Income Threshold should be made on the LPT1 Return Form only. People applying for deferral of LPT under any of the other three categories must, **in addition to submitting the LPT1 Return Form**, complete an application on the LPT2 Form (available on Revenue's website), which should be returned to: **LPT Branch, PO Box 1, Limerick**. Applications for deferral for 2013 must be made by 7 May 2013 if the LPT1 Return Form is submitted on paper and by 28 May 2013 if submitted electronically.

1.4 Making a Payment

A claimant who has been allowed a deferral may at any time make either a full or partial payment of the deferred amount. Where Revenue receives a partial payment of the deferred amount it will credit that payment to the oldest period of deferred LPT first.

1.5 Change of Circumstances

It is a condition of any deferral that, if a claimant's circumstances change, Revenue must be notified. A change of circumstances may result in the deferral being terminated in respect of future LPT. In addition, certain events such as the receipt of money by way of winnings, gifts, inheritances or capital sums of any kind will cause the tax deferred up to that point, including interest, to become immediately payable.

1.6 Appeals against Revenue's Refusal to Grant a Deferral

The claimant has the right to appeal to the Appeal Commissioners where Revenue refuses to grant a deferral. Where Revenue determines that a claimant is not entitled to a deferral it will notify that person in writing. The claimant then has 14 days to give written notice of appeal, clearly stating the grounds for the appeal. The appeal will then be considered and determined by the Appeal Commissioners as if it was an appeal against a Revenue assessment. The claimant's self-assessment of the amount of LPT due must, however, be paid pending the outcome of the appeal to the Appeal Commissioners.

1.7 False Claims for Deferral

Where a claimant is found to have secured a deferral of LPT on the basis of false or inaccurate information then Revenue reserves the right to immediately withdraw the deferral facility and collect the balance outstanding. In such circumstances Revenue will also apply the usual interest charge of 8% instead of the 4% deferral rate. The claimant may also be liable to a penalty of the full amount of the LPT due for making a false statement to secure the deferral. Penalties are not automatically applied by Revenue but are subject to the normal rules on the imposition of penalties under the Taxes Acts and are, ultimately, a matter for the Courts.

1.8 Further Information

More detailed information and examples in relation to the different categories of deferral are set out in the following pages. Full information in relation to LPT, including Frequently Asked Questions which are regularly updated, is available at www.revenue.ie. Information is also available from Revenue's LPT Helpline 01 738 2636 or from the Citizens Information Service.

2. Category A - Deferral Based on Income Thresholds

The income threshold that determines whether a deferral may be claimed for a particular year is based on a person's estimate of his or her likely gross income. At the liability date for a year, i.e. 1 May 2013 for 2013 and 1 November 2013 for 2014 (and each 1 November after that), a claimant must estimate what his or her likely gross income will be for the year in which the liability date falls and **not for the year in which LPT is payable**. This means that eligibility for a deferral in 2013 is based on an estimate at 1 May 2013 of the likely gross income up to the end of 2013 and eligibility for a deferral in 2014 is also based on an estimate at 1 November 2013 of the likely gross income up to the end of 2013. Gross income is all income before any deductions, allowances or reliefs that are allowed to be deducted when calculating a person's taxable income for income tax purposes. It includes income that is exempt from income tax and income received from the Department of Social Protection but excludes child benefit.

The standard income thresholds may be increased where a claimant pays mortgage interest. The increase is limited to 80% of the gross interest (i.e. before tax relief at source is given) that is estimated to be likely to be paid in a particular year. As with gross income, a claimant must estimate at a liability date, i.e. 1 May 2013 for 2013 and 1 November 2013 for 2014 (and each 1 November after that), the amount of mortgage interest that is likely to be paid by the end of the year in which the liability date falls, i.e. by the end of 2013 for both of the years 2013 and 2014. A property for which deferral is claimed must be the sole or main residence of the claimant – deferral based on Income Thresholds is not available for landlords or second homes.

2.1 Application Process

The following tables and examples outline the criteria required to qualify for either a full or partial deferral of LPT on the basis of Income Thresholds. Claimants should ensure they qualify under one of the specified criteria outlined in the Table at 2.2. Once the claimant is satisfied that he or she qualifies for a deferral then he or she should

complete 'Option 6' on the LPT1 Return Form by entering the appropriate 'Condition Number' (Numbers 1 to 4 in the Table at 2.2).

This type of deferral is granted on a self-assessment basis. This means that there is no approval process. Revenue will take a claimant's word that his or her gross income is likely to be below the relevant threshold and the deferral is granted automatically on receipt of the completed LPT1 Return Form. When a claimant selects a deferral Condition Number 1, 2, 3 or 4, he or she is making a formal declaration, and some cases will be selected by Revenue for checking afterwards.

2.2 Income Threshold Criteria

	Condition Number (Input at Option 6 on LPT1 Return Form)	Condition
Full Deferral	1	Gross income for the year in which the relevant liability date falls is unlikely to exceed €15,000 (single or widow/er) and €25,000 (couple*).
Full Deferral	2	Gross income for the year in which the relevant liability date falls is unlikely to exceed the adjusted income limit. This adjusted income limit is calculated by increasing the €15,000 (single or widow/er) and €25,000 (couple*) thresholds by 80% of the expected gross mortgage interest payments.

Partial Deferral	3	Gross income for the year in which the relevant liability date falls is unlikely to exceed €25,000 (single or widow/er) and €35,000 (couple*.)
Partial Deferral	4	Gross income for the year in which the relevant liability date falls is unlikely to exceed the adjusted income limit. This adjusted income limit is calculated by increasing the €25,000 (single or widow/er) and €35,000 (couple*) thresholds by 80% of the expected gross mortgage interest payments.

*A couple includes a married couple, civil partners and certain cohabitants. Cohabitant is defined in Section 172 of the Civil Partnership and Certain Rights and Obligations of Cohabitants Act 2010. For LPT deferral purposes, the required period of cohabitation is at least two years where the couple have children or at least five years where they do not have children.

Important:

A single person or a couple whose **only income** is a payment from the Department of Employment Affairs and Social Protection (DEASP) will qualify for a full deferral because the DEASP payment rates at 1 May 2013 are below the thresholds.

2.3 Termination of Income Threshold Deferrals

In cases where a property is sold or otherwise transferred the amount that has been deferred will become payable at that point. However, in the case of a gift or an inheritance, the amount already deferred may continue to be deferred where the new owner, in his or her own right, also satisfies the conditions for

an Income Threshold deferral. The only other situation in which an existing deferral may continue is where one member of a married couple, civil partnership or cohabiting couple dies. Where this happens, the deferral will remain in place until the next valuation date (i.e. 1 November 2016) without any reference to the income threshold of the surviving spouse/partner/cohabitant.

2.4 Income Based Deferral Examples

Example 1: Single person with a mortgage – adjusted income threshold

Jean is a single owner-occupier with a mortgage. At 1 May 2013 her gross income from 1 January 2013 to 30 April 2013 is €13,000, i.e. €10,000 salary and €3,000 from the tax-exempt rent-a-room scheme. She does not anticipate any change in this level of income for the remainder of the year and expects her overall gross income at 31 December 2013 to be €39,000. She thinks that she will be able to continue to meet her gross mortgage interest payments of €1,500 per month, i.e. €18,000 by 31 December 2013. To qualify for a full deferral Jean's estimate of her likely gross income must not exceed €15,000 plus 80% of her gross mortgage interest payments:

Gross income threshold: $€15,000 + (€18,000 \times 80\%) = \mathbf{€29,400}$

As Jean's estimated gross income (€39,000) is greater than her full deferral adjusted income threshold (€29,400) she does not qualify for a full deferral.

To qualify for a partial deferral Jean's estimated gross income must not exceed €25,000 plus 80% of her gross mortgage interest payments:

Gross income threshold: $€25,000 + (€18,000 \times 80\%) = \mathbf{€39,400}$

As Jean's estimated gross income (€39,000) is less than her partial deferral adjusted income threshold (€39,400) she qualifies for a partial (50%) deferral. If she wishes to opt for partial deferral she

should enter '4' at Option 6 of the LPT1 Return Form and select one of the payment options for the balance of the LPT due. A charge for the deferred amount, including annual interest at 4%, will be placed on the property.

Example 2: Couple (no mortgage) who qualify for full deferral

Seán and Eileen are married and owner-occupiers. Their estimated gross income for 2013 is €23,000. They are under the €25,000 limit and qualify for a full deferral. If they decide to opt for a full deferral of their LPT liability they should select the full deferral option and enter '1' at Option 6 on their LPT Return. A charge for the deferred amount, including interest at 4%, will be placed on the property.

Example 3: Single person (no mortgage) who qualifies for partial deferral

Emma is single and an owner-occupier. Her estimated gross income for 2013 is €18,000. Therefore, her gross income is over the limit (€15,000) to qualify for a full deferral but under the limit (€25,000) to qualify for a partial (50%) deferral.

If Emma decides to opt for a partial deferral of her LPT liability she should select the partial deferral option and enter '3' on her LPT Return and confirm which payment option she will use to pay the balance of her LPT. A charge for the deferred amount, including interest at 4%, will be placed on the property.

Example 4: Single person (with mortgage) who qualifies for partial deferral

Andy is single and an owner-occupier. His estimated gross income for 2013 is €27,000 and his anticipated gross mortgage interest payments for 2013 are €6,000. To qualify for a full deferral Andy's estimated gross income must not exceed €15,000 plus 80% of his gross mortgage interest payments:

Gross income threshold: $€15,000 + (€6,000 \times 80\%) = \mathbf{€19,800}$

As Andy's estimated gross income (€27,000) is greater than his full deferral adjusted income threshold (€19,800) he does not qualify for a full deferral. To qualify for a partial deferral Andy's estimated gross income must not exceed €25,000 plus 80% of his gross mortgage interest payments:

Gross income threshold: $€25,000 + (€6,000 \times 80\%) = \mathbf{€29,800}$

As Andy's estimated gross income (€27,000) is less than his partial deferral adjusted income threshold (€29,800) he qualifies for a partial (50%) deferral. If he wishes to opt for partial deferral he should enter '4' at Option 6 of the LPT1 Return Form and select one of the payment options for the balance of the LPT due. A charge for the deferred amount, including interest at 4%, will be placed on the property.

Example 5: Joe is single with a €200,000 mortgage and Gross Income of €30,000.

Joe has a mortgage. His annual mortgage interest payment is approx. €7,000. Therefore, his adjusted income threshold for a full deferral is $€15,000 + (€7,000 \times 80\%) = \mathbf{€20,600}$.

Because Joe's €30,000 salary is greater than his adjusted income threshold he does not qualify for a full deferral of LPT.

However, Joe does qualify for a partial (50%) deferral because his €30,000 income is less than his adjusted income threshold for partial deferral, i.e. $€25,000 + (€7,000 \times 80\%) = \mathbf{€30,600}$.

If he wishes to opt for partial deferral he should enter '4' at Option 6 of the LPT1 Return Form and select one of the payment options for the balance of the LPT due. A charge for the deferred amount, including interest at 4%, will be placed on the property.

Example 6: Death of one member of a married couple, civil partnership or cohabiting couple.

Prior to his wife's death in December 2013, Pat and his wife had been granted a full deferral of LPT based on their joint income. Pat is concerned that he will no longer qualify for a deferral as his gross income will exceed €15,000, the income threshold for a widower.

However, in these circumstances, the full deferral will continue up to and including 2016. On 1 November 2016, depending on his gross income at that time, Pat may make a claim for a future deferral if he satisfies the conditions for obtaining a deferral as a widower. Even if he doesn't qualify, the amount that is deferred up to the end of 2016 may continue to be deferred.

Example 7: Inheritance of a property from a person who had claimed a deferral.

Joan inherits a property on the death of her widowed mother. Her mother had a full deferral in place up to the time of her death and Joan is now concerned that she will be liable for the outstanding LPT. The transfer of the property to Joan means that the tax deferred to that point plus interest becomes payable at the date of transfer unless Joan satisfies the conditions for a deferral in her own right.

3. Other Deferral Options

There are three other categories of deferral that are set out at B, C and D below. As with income based deferrals, deferrals for personal representatives of a deceased liable person and personal insolvency deferrals are accepted on a self-assessment basis. However, in the case of deferrals based on hardship grounds, Revenue will review applications and will grant or refuse the deferral application.

3.1 Category B - Deferral Based on Personal Representative of a Deceased Liable Person

In the normal course of events, a personal representative is liable to pay any LPT arising in respect of a property forming part of a deceased person's estate where the LPT is outstanding at date of death or arises in respect of a liability date falling during the period of the administration of the estate. However, where a liable person who was the sole owner of a property dies, that person's personal representative may apply for a full deferral of LPT for a maximum period of three years commencing with the date of death. Where the personal representative is in a position to transfer the property to a beneficiary of the estate or where it is sold within the three years, the deferral ends at that earlier time. A deferral can be claimed for any LPT outstanding at the date of death, any LPT already deferred by the deceased person and LPT becoming payable following death. This type of deferral is not restricted to owner-occupiers.

A personal representative who wishes to claim a deferral should complete all questions in both Section A (Details of Liable Person) and Section B of the LPT2 Form. The completed LPT2 Form should be returned to: **LPT Branch, PO Box 1, Limerick.**

Important:

Applying for deferral of LPT under this category using the LPT2 Form **does not remove** the requirement to submit the statutory LPT1 Return Form. **The LPT1 Return Form must be submitted in all cases.** When completing Option 6 on the LPT1 Return Form the claimant should enter the number '5' in the box.

3.2 Category C - Deferral Based on Personal Insolvency

A person who enters into a Debt Settlement Arrangement or a Personal Insolvency Arrangement under the Personal Insolvency Act 2012 may apply for a deferral of LPT for the periods for which the insolvency arrangement is in place. The deferred LPT plus interest will become due when the particular insolvency arrangement ceases to have effect. This type of deferral is not restricted to owner-occupiers.

Before LPT can be deferred on these grounds, the particular insolvency arrangement must be formally agreed between the claimant and the Insolvency Service of Ireland (ISI). The 'Insolvency Case Number' must be included in Section C of the LPT2 Form.

Where a claimant meets the criteria for a deferral of LPT on the basis of personal insolvency then he or she should complete all questions in both Section A (Details of Liable Person) and Section C of the LPT2 Form. The completed LPT2 Form should be returned to: **LPT Branch, PO Box 1, Limerick.**

Important:

Applying for deferral of LPT under this category using the LPT2 Form **does not remove** the requirement to submit the statutory LPT1 Return Form. **The LPT1 Return Form must be submitted in all cases.** When completing Option 6 on the LPT1 Return Form the claimant should enter the number '6' in the box.

3.3 Category D - Deferral Based on Hardship Grounds

The objective of this category of deferral is to provide for situations where a liable person, who does not qualify for an income based deferral, was in a position to meet his or her LPT liability until something happened to cause a significant financial loss or cost. It is not restricted to owner-occupiers.

Where a person suffers an unexpected and unavoidable significant financial loss or expense within the current year, as a result of which he or she is unable to pay the LPT or maintain phased payment arrangements, without causing excessive financial hardship, then he or she can apply for a full or partial deferral. Claims for this type of deferral will require full disclosure of the particular loss or expense and details of the person's financial circumstances and any other information required by Revenue. Following an examination of the information provided, Revenue will determine whether to grant a deferral (full or partial) but will not refund any payments made by the claimant up to that point. The deferred LPT plus interest will become due when the deferral arrangement ceases to have effect or will remain a charge on the property.

Deferral on hardship grounds will not be granted where expenses, although significant in amount are not unexpected, and which a person would be expected to budget for in the course of managing his or her financial affairs, e.g. expenditure on such items as mortgage repayments, college fees, the purchase of a car, family weddings or holidays.

In considering the question of hardship, the claimant's personal circumstances may be taken into account – in particular, whether the house is occupied by other household members who, although not liable for LPT, may have income and would be expected to contribute to the payment of household expenses including LPT.

In order to be considered for a deferral of LPT on the grounds of hardship the loss suffered by the claimant must reduce the remainder of his or her gross income¹ to the threshold levels detailed in Category A, or, the total loss suffered must be at least 20% of his or her gross income. However, it does not follow that if either or both of these conditions are met deferral will be granted automatically. The onus is on the claimant to demonstrate by reference to details of his or her income and outgoings, the amount of LPT payable and, in the light of whatever other resources are available to him or her, **that payment of the tax would cause excessive financial hardship.**

Examples of the type of losses/expenses that will be considered in granting deferrals on hardship grounds are:

- Emergency medical expenses.
- Significant repairs to a private residence that are necessary to maintain the house in a habitable condition and which arise unexpectedly.
- Expenses in connection with a serious accident or death of a family member.
- Loss of employment.
- A bad debt incurred by a self-employed person.

In considering such matters, the degree to which a loss is insured or that the person is otherwise indemnified (e.g. redundancy payments/compensation payments, etc.) will be taken into account. Also, where tax relief applies to an unexpected expense Revenue will set any tax repayment due in respect of the expense against the deferred LPT.

¹ As with income based deferrals, gross income is all income before any deductions, allowances or reliefs that are allowed to be deducted when calculating a person's taxable income for income tax purposes. It includes income that is exempt from income tax and income received from the Department of Employment Affairs and Social Protection but excludes child benefit.

When applying for deferral of LPT on the grounds of hardship the claimant should complete all questions in both Section A (Details of Liable Person) and Section D of the LPT2 Form. The completed LPT2 Form should be returned to: **LPT Branch, PO Box 1, Limerick.**

Important:

Applying for deferral of LPT under this category using the LPT2 Form **does not remove** the requirement to submit the statutory LPT1 Return Form. **The LPT1 Return Form must be submitted in all cases.** When completing Option 6 on the LPT1 Return Form the claimant should enter the number '7' in the box.

3.4 Supporting Documentation

The claimant must also attach all relevant documentation that supports the application for a deferral on hardship grounds. Specifically, this must include receipts/invoices in relation to the relevant expenses incurred and bank statements (typically: three most recent months for each current account and up to date for deposit accounts) relating to the claimant. Revenue may look for further additional documentation in regard to the claimant or in regard to any other household members depending on the circumstances of any individual case, before approving a deferral.

3.5 Examples of Hardship Based Deferrals

The following examples illustrate the type of situations in which Revenue will consider a claim based on excessive hardship. The fact that a loss or expense exceeds 20% of the claimant's gross income or that it reduces his or her gross income below the deferral income thresholds does not mean that deferral is granted automatically. The onus is on the claimant to demonstrate by reference to details of his or her income and outgoings, the amount of property tax payable and, in the light of whatever other resources are available to him or her, that payment of the tax would cause excessive hardship.

Example 1 - Couple (no mortgage) who are granted a partial deferral

Mary and Pat are married and are mortgage free on both their family home and on a second rental property that has been unoccupied since the last tenants left a year ago. Their estimated gross income for 2013 is €60,000. Because of their gross income and because of the rule about second homes they do not qualify for deferral under Category A. However, the rental house suffered severe storm damage that required repairs costing €32,000, for which they were not insured.

Gross Income	€60,000
Unexpected significant expense	€32,000
Adjusted Gross Income for 2013	€28,000

As the unexpected significant expense is greater than 20% of their gross income Revenue may consider an application for a deferral. This will be a partial deferral because their adjusted gross income is above the €25,000 threshold for full Category A deferral but below the €35,000 threshold for partial deferral. Appropriate documentary evidence must be provided in support of the claim that, as a result of the loss, payment of the tax would cause excessive hardship.

A charge for the deferred amount, including annual interest at 4%, will be placed on the property.

Example 2 - Couple (with a mortgage) who are granted a full deferral

Brian and Anne are co-habitants who own their own home and estimate they will make mortgage interest payments of €16,000 in 2013. Their estimated gross income for 2013 is €55,000, which exceeds the adjusted income limit of €37,800 that would allow for a full deferral. However, Brian had significant unexpected and un-reimbursed medical expenses in 2013.

Gross Income	€55,000
Unexpected significant expense	€20,000
Adjusted Gross Income for 2013	€35,000
Adjusted Income Threshold	€37,800 (€25,000 + €12,800)

As the unexpected significant expense is both greater than 20% of their gross income and reduces the adjusted gross income below the Category A full deferral threshold Revenue may consider an application for a full deferral. Appropriate documentary evidence must be provided in support of the claim that, as a result of payment of the un-reimbursed medical expenses, payment of the tax would cause excessive hardship.

A charge for the deferred amount, including annual interest at 4%, will be placed on the property.

Example 3 - Single person (with a mortgage) who qualifies for a partial deferral

Eamonn is single. His estimated gross income for 2013 is €55,000. He pays mortgage interest of €10,000. Eamonn's father had a serious accident while abroad and was uninsured. Eamonn had to travel abroad to accompany his father back to Ireland and incurred significant expenses of €25,000 for the trip and medical bills.

Gross Income	€55,000
Unexpected significant expense	€25,000
Adjusted Gross Income for 2013	€30,000
Adjusted Threshold	€23,000 (€15,000 + €8,000)

Because the unexpected significant expense is greater than 20% of his gross income, Revenue may consider an application for a deferral. This will be a partial deferral because Eamonn's adjusted gross income is above the €23,000 threshold for full Category A deferral but below the €33,000 threshold for partial deferral. Appropriate documentary evidence must be provided in support of the claim that, as a result of the unexpected expenses, payment of the tax would cause excessive hardship.

A charge for the deferred amount, including annual interest at 4%, will be placed on the property.

Example 4 - Married couple who qualify for a partial deferral

John and Helen are married, over the age of 65, retired and in receipt of pensions totaling €50,000. After suffering a stroke, John is admitted to long-term care and makes a contribution under the 'Fair Deal' Scheme of €16,900.

Gross Income	€50,000
Unexpected significant expense	€16,900
Adjusted Gross Income for 2013	€33,100.

As the 'Fair Deal' costs are in excess of 20% of their gross income, Revenue may consider an application for a deferral. This will be a partial deferral because John and Helen's adjusted gross income is above the €25,000 threshold for full Category A deferral but below the €35,000 threshold for partial deferral. Appropriate documentary evidence must be provided in support of the claim that, as a result of the 'Fair Deal' costs, payment of the tax would cause excessive hardship.

A charge for the deferred amount, including annual interest at 4%, will be placed on the property.

Example 5 - Single person (mortgage) who does not qualify for a deferral (full or partial) in spite of suffering a loss in excess of 20% of gross income

Alan is single and self-employed. His estimated gross income for 2013 is €45,000. He pays mortgage interest of €12,000. Alan suffered a loss of €25,000 during the year as a result of a bad debt and applied for a deferral given that his loss was in excess of 20% of his estimated gross income and because his Adjusted Gross Income was below his Adjusted Threshold.

Gross Income	€45,000
Unexpected significant expense	€25,000
Adjusted Gross Income for 2013	€20,000
Adjusted Threshold	€24,600 (€15,000 + €9,600)

Alan provided documentary evidence to Revenue in support of his application for deferral, which confirmed that he had €30,000 on deposit in the bank and also owned shares in a well performing company. Revenue refused Alan's application for a deferral on the basis that while his loss was significant he had enough liquid assets available to facilitate payment of his LPT without causing him excessive hardship.

Contact Details:

Further information relating to LPT is available as follows:

Web: www.revenue.ie

Email: lpt@revenue.ie

Aertel: Page 593

By Post: LPT Branch, P.O. Box 1, Limerick

Phone: 01 738 3626 (ROI only);
+353 1 702 3049 (from outside ROI)

Information is also available from the Citizens Information Service:

Web: www.citizensinformation.ie

Phone: 0761 07 4000, Monday to Friday,
9am - 8pm

In Person: by calling to a Citizens Information Service
near you.

Frequently Asked Questions that are regularly updated are
available at www.revenue.ie.

The information in this document is provided as a guide only and is not professional advice, including legal advice. It should not be assumed that the guidance is comprehensive or that it provides a definitive answer in every case.