S.I. No. 225 of 2005

O R D E R

entitled

Finance Act 2005 (Commencement of Sections 100 and 104(1)(b) Order 2005

Made by the Minister for Finance

Prn. No. A5/0646 Price. €0.76

S.I. No.   of 2005.

Finance Act 2005 (Commencement of Sections 100 and 104(1)(b) Order 2005

I, Brian Cowen, Minister for Finance, in exercise of the powers conferred on me by section 100(2) and 104(2) of the Finance Act 2005 (No.5 of 2005), hereby order as follows:

1. This Order may be cited as the Finance Act 2005 (Commencement of Sections 100 and 104(1)(b)) Order 2005.

2. The 1st day of May 2005 is appointed as the day on which paragraphs (a) and (b) of subsection (1) of section 100 and paragraph (b) of subsection (1) of section 104 of the Finance Act 2005 shall take effect.

GIVEN under my Official Seal,

this 28th day of April, 2005.

Brian Cowen
Minister for Finance.

EXPLANATORY NOTE – Section 100 and 104(1)(b)

(This note is not part of the instrument and does not purport to be a legal interpretation).

This order appoints the 1st day of May, 2005 as the date for coming into effect of the provisions of paragraphs (a) and (b) of subsection (1) of section 100 and paragraph (b) of subsection (1) of section 104 of the Finance Act 2005.

Section 100 provides for a change in the rules regarding the VAT treatment of certain property transactions. *Paragraph (a)* is a technical amendment. *Paragraph (b)* provides for the termination of the existing rules when the new rules come into effect. It also provides for a clawback of a proportion of deductibility which the taxpayer was previously entitled to claim, if a property is diverted into exempt short-term letting. The clawback arises when the letting commences. Section 104 paragraph (b) provides for a credit of a proportion of the same deductibility when the property is subsequently disposed of.