

1. Domicile, residence & ordinary residence

UK Dom, no permanent intention of remaining in Ireland = no Irish domicile of choice

Resident IN Ireland >183 days present in 2021

Not ordinary resident

2. Basis of assessment Pg 91

Income tax – Irish source income + foreign income remitted

CGT – Irish source gains + foreign gains remitted

3. Sources

Salary 1 Jan to 31 Dec = subject to Irish income tax

Rental income = subject to Irish income tax

Interest on UK deposit account = If remitted to Ireland subject to Irish income tax – Alec transfers the interest to Ireland

Gain on disposal UK Property investment = only subject to Irish CGT if remitted to Ireland = leave it in the UK deposit account

Loss on disposal of French property = loss is not allowable even if proceeds are remitted – therefore remit the proceeds of €250,000 to Ireland to fund the acquisition of the new property

4. Irish domestic reliefs

Split year residence applies to salary from 1 Jan – 31 May not taxable

5. Taxable in foreign country?

Irish salary from 1 June – 31 December = Irish and UK Tax

Rental income = Irish and UK tax

UK deposit interest = Irish Tax and UK tax

6. DTA

Resident OF Ireland – Permanent home in Ireland

DTA Relief for UK tax on Irish salary from 1 June to 31 Dec credited against Irish tax

DTA Relief for UK tax on Irish rental income credited against Irish tax

DTA Relief = interest exempt in the country of source i.e. UK – Alec submits declaration of residence in Ireland

Engpower 2018

Mark & Louise 2018R

CGS

Upfront VAT recovery = day one intention to use the property.

Recover proportion attributable to taxable use

Estimate % space that will be let – Lettings are exempt

189,000 x % not recoverable

Landlord option to tax – VAT clause in lease, if let to connected person, must have at least 90% VAT recovery

Rental VAT @ 23%

Full taxable use of the property = full VAT recovery

If no option to tax exercised (say 25% of space is let)

Initial Interval VAT recovery 141,750

In 3 years, % deductible use = 100%

Each interval annual adjustment – refund of 1/20<sup>th</sup> of non-recoverable VAT

Completed June 2015 – Now 2021 more than 5 years, not developed = Exempt

CGS clawback

B = total reviewed deductible amount €94,500

N = full intervals remaining  $13 + 1 = 14$

Y = 20

Clawback €66,150

1. 1st 12 months 1 June 2015 – 31 May 2016
2. 2nd interval 1 June 2016 – 31 Mar 2017
3. y/e 31/3/2018, 2019, 2020, 2021

6 intervals past

Interval in which disposal made = 7

Remaining 13

To avoid the clawback = seek joint option to tax

Seller Treats + Buyer Louise – agree in writing to tax

VAT chargeable @ 13.5% by Louise on reverse charge basis

Louise will let the property – Exempt = no VAT recovery

Louise can exercise landlord's option to tax – VAT cause in lease agreement, charge 23% to Treats

Therefore, full VAT recovery

Louise should register for VAT in advance of the sale

Output VAT = Reverse charge VAT

Input VAT recovery depends on taxable use

