



**STATEMENT OF  
PRACTICE  
SD 9A**

**CONVEYANCES  
AND LEASES  
OF RESIDENTIAL  
PROPERTY**

**FINANCE (NO.2)  
ACT, 2000**

**Introduction**

The Finance (No. 2) Act, 2000, which contains details of the new rates of stamp duty for residential property, was enacted on 5 July, 2000. The new rates were originally introduced by means of a Financial Resolution which was passed by Dail Eireann on 15 June, 2000. The Act includes a number of minor changes to the provisions included in the Financial Resolution.

This Leaflet, which supersedes the previous Leaflet SD9, provides details of the new stamp duty regime for residential property. Part 1 of the Leaflet deals with the broad terms of the new regime in a Question & Answer format. Part 2 contains details of the new rates. Part 3 indicates the Revenue certificates required in instruments and Part 4 contains the wording of the certificates.

The Leaflet is for general guidance only and should not be regarded as a legal interpretation.

**Part 1**

**What is the revised regime for residential property?**

The new regime provides for reduced rates of stamp duty for both new and second-hand houses in the case of First Time Buyers and other Owner Occupiers. A higher Investor rate of 9% applies in all other situations. The reduced rates are set out in Part 2 of this Leaflet.

**What is the operative date for the revised rates?**

The revised rates apply to conveyances/leases executed on or after 15 June, 2000.

**Does the existing exemption for new grant-size houses continue to apply?**

Yes. The exemption continues to apply in the case of an Owner Occupier, whether a First Time Buyer or not, regardless of the amount of the purchase price. To obtain this exemption, the conveyance/lease should contain the certificates indicated in Part 3 of this Leaflet.

**What is the position in relation to larger new houses?**

The existing relief (under which the chargeable consideration is the site value or 25% of the total price of the house) continues to be available for Owner Occupiers, whether a First Time Buyer or not. The new reduced rates for Owner Occupiers and First Time Buyers, as appropriate, will apply to the above chargeable consideration.

Are there any changes to the stamp duty on non-residential property?

No. The existing rates for non-residential property continue to apply. Details of the rates and certificates for non-residential property are contained in Leaflet SD7.



### **How do you obtain the benefit of the reduced rates?**

The reduced rates will apply where the conveyance/lease of the property contains the appropriate certificates as set out in Part 3 of this Leaflet. The wording of the certificates is set out in Part 4.

### **Who is a First Time Buyer?**

A first time buyer is a person, (or where there is more than one buyer each of such persons):

- who has not on any previous occasion, either individually or jointly, purchased or built on his/her own behalf a house;
- In Ireland or abroad;
- where the property purchased is occupied by the purchaser, or a person on his behalf, as his/her only or principal place of residence;
- and where no rent is derived from the property for five years after completion of the current purchase.

### **Is there provision for any special situations in relation to the scope of the definition of a First Time Buyer?**

Yes. There are two particular situations where a person is deemed to be a First Time Buyer:-

(a) the trustees of a trust (to which section 189A of the Taxes Consolidation Act, 1997, applies), whose trust funds are raised by public subscriptions for the benefit of permanently incapacitated persons, in respect of the first house(s) bought after the establishment of the trust, for occupation by the beneficiary or if more than one, each of the beneficiaries.

(b) a spouse to a marriage the subject of a decree of judicial separation or a decree of divorce in the case of the first acquisition of a house by the spouse following the separation or divorce provided that the spouse had, in relation to the former marital home,

- left that home;
- not retained an interest in that home;
- Whose separated/former spouse continues to occupy that home, which home was occupied by both spouses prior to the separation or dissolution of the marriage.

### **Are there any specific exclusions from the definition of a First Time Buyer?**

Yes. The following persons do not qualify as First Time Buyers:-

- (a) a person, who has obtained First Time Buyer relief in respect of a gift of a house made on or after 22 June, 2000, (for a gift of only a part of a house the operative date is 27 June, 2000,) cannot qualify again for the relief in respect of a subsequent purchase or gift.
- (b) a company acquiring a house on or after 27 June, 2000.



- (c) a person acquiring a house on or after 27 June, 2000, who had acquired a house in the past in a fiduciary capacity.

**If I received a gift of a house prior to 22 June, 2000 can I avail of the First Time Buyer relief?**

Yes. Provided you had not previously purchased a house you can avail of the First Time Buyer relief. A gift of a house taken after 22 June, 2000 is deemed to have been taken by way of purchase.

**What is the position where a person had previously inherited a house?**

As the property was inherited rather than purchased the First time Buyer relief is available.

**What is an Owner Occupier?**

An Owner Occupier is a person who purchases a house which is to be occupied by the purchaser, or a person on his behalf, as his only or principal place of residence and no rent is derived from the property for a period of five years from the date of purchase.

**What transitional arrangements apply?**

Transitional arrangements apply where contracts to purchase/lease a house or apartment were evidenced in writing prior to 15 June, 2000. In such cases, where the stamp duty changes place the purchaser at a disadvantage compared to the residential rates of stamp duty in force immediately prior to 15 June 2000, those previous rates of stamp duty continue to apply provided the conveyance/lease is executed on or before 31 January, 2001. You should refer to Leaflet SD7 for details of the rates and certificates in force prior to 15 June, 2000.

In all cases where transitional relief is claimed the conveyance/lease must contain the following certificate: "It is hereby certified that this instrument was executed solely in pursuance of a contract evidenced in writing prior to 15 June, 2000."

**Are there restrictions to the availability of the new reduced rates?**

Yes. The reduced rates for First Time Buyers and other Owner Occupiers do not apply where a transaction includes residential property which has been acquired for investment purposes.

**Do the reduced rates apply where non-residential property forms part of the transaction?**

Yes. Where the transaction includes a non-residential element together with a single residential element (for example a farm with a farm house) the consideration should be apportioned between the residence (including the curtilage up to 1 acre) and the land. The reduced residential rate of stamp duty will apply to the residence in the case of a First Time Buyer or other Owner Occupier and the appropriate non-residential rate will apply to the land.



**Can I obtain the benefit of the reduced rates in the case of a gift of a house?**

Yes. A gift is chargeable in the same manner as a sale with the substitution of the value of the house for the consideration for the sale. Accordingly the reduced rates for First Time Buyers and other Owner Occupiers will apply to a gift where the deed contains the appropriate certificates as in the case of a sale.

**Is consanguinity relief still available for transactions between relatives?**

Yes. Where the appropriate relationship certificate is endorsed in the instrument the stamp duty chargeable is reduced by 50%.

**What rate of duty is chargeable on the purchase of a holiday home?**

The rate of duty is 9%. The reduced rates do not apply as a holiday home is not occupied as a principal place of residence.

**Do I have to pay at the 9% rate if I already own a house which I intend to let?**

No. You can qualify for the Owner Occupier rates provided the house which you are purchasing is to be occupied as a principal place of residence for a period of five years and no rent is derived from this property during the five year period from the date of purchase.

**Can the benefit of the new rates be withdrawn?**

Yes. If the house is let within five years of the date of execution of the instrument of transfer the benefit of the reduced rates will be clawed back.

**Do I lose the benefit of the reduced rates if I sell the property within five years of the date of purchase?**

No. The clawback only applies where rent is derived from the property during the period prior to the sale.

**What is the amount of the clawback and when is it payable?**

The clawback amounts to the difference between the 9% rate and the duty paid and it is payable on the date that rent is first received from the property.

**Do I have to let the property to be regarded as an Investor for the purposes of the 9% rate?**

No. It is immaterial whether rent is derived from the property. Any property which is not occupied as a principal place of residence is chargeable at the 9% rate.

**Does the new regime apply to the purchase of a site with planning permission?**

No. The changes have no effect as a site is not residential property and there has been no change to the rates for non-residential property.

**Further information?**

**For further information phone or fax**

Dublin Office.....

Telephone (01) 6792777 Exts. 48552/ 48180/ 48093

Fax (01) 6793261

Cork Office.....

Telephone (021) 968783 Exts. 3105/3109/3141

Fax (021) 318088

This document is also available in electronic form on our Revenue website at: [www.revenue.ie](http://www.revenue.ie)



## Part 2

## Rates of Stamp Duty – Residential Property

| Aggregate Consideration | First Time Buyer | Owner Occupier | Investor |
|-------------------------|------------------|----------------|----------|
| Less than £100,000      | *Exempt          | *Exempt        | 9%       |
| £100,001 - £150,000     | *Exempt          | 3%             | 9%       |
| £150,001 - £200,000     | 3%               | 4%             | 9%       |
| £200,001 - £250,000     | 3.75%            | 5%             | 9%       |
| £250,001 - £300,000     | 4.5%             | 6%             | 9%       |
| £300,001 - £500,000     | 7.5%             | 7.5%           | 9%       |
| Over £500,000           | 9%               | 9%             | 9%       |

## Part 3

## Certificates – Residential Property

| Transaction Type   | First Time Buyer   | Owner Occupier  | Investor  |
|--|--|---|---|
| Second-hand house  | Nos. 3A/B + 5 +6 +<br>7C +8A/B<br>(reduced rates)  | Nos. 3A/B +5 +7B +<br>8A/B<br>(reduced rates)   | Nos. 3A/B +8A/B<br>(9% rate on entire consideration)  |
| New House – if Conveyance/lease gives effect to a site/building contract(s)                            | Nos. 2A/B +6 +7A +<br>8A/B<br>(reduced rates on greater of site value or 25% of total price) | Nos. 2A/B +7A +<br>8A/B<br>(reduced rates on greater of site value or 25% of total price) | Nos. 2A/B +8A/B<br>(9% rate on entire consideration)  |
| New House – if Conveyance/lease gives effect to a contract for a completed house                       | Nos. 4A/B + 6 + 7A +<br>8A/B<br>(reduced rates on 25% of total price)                        | Nos. 4A/B + 7A +<br>8A/B<br>(reduced rates on 25% of total price)                         | Nos. 3A/B +8A/B<br>(9% rate on entire consideration)  |
| New House – if <b>grant size</b> and conveyance/lease gives effect to a site/building contract(s)      | Nos. 1 + 2A/B<br>(*exempt from stamp duty)   | Nos. 1 + 2A/B<br>(*exempt from stamp duty)  | Nos. 2A/B + 8A/B<br>(9% rate on entire consideration) |
| New House – if <b>grant size</b> and conveyance/lease gives effect to a contract for a completed house | Nos. 1 + 3A/B<br>(*exempt from stamp duty)   | Nos 1 + 3A/B<br>(*exempt from stamp duty)   | Nos. 3A/B + 8A/B<br>(9% rate on entire consideration) |

\*Where a conveyance/lease is exempt from stamp duty, the instrument need only be presented for PD stamping.



| <b>Part 4</b>  |  |
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| <b>Certificates in Conveyances/Leases – Residential Property</b> |  |
| <b>Certificate No.</b>   | <b>Wording of Certificates (delete as appropriate)</b>   |
|  | Note: Knowingly furnishing an incorrect certificate is a Revenue Offence   |
| 1.   | "It is hereby certified that-<br>(a) this instrument gives effect to the purchase of a dwellinghouse/apartment on the erection of that dwellinghouse/apartment.<br>(b) on the date of execution of this instrument, there exists a valid floor area certificate (within the meaning of section 4(2)(b) of the Housing (Miscellaneous Provisions) Act, 1979) in respect of the said dwellinghouse/apartment, and<br>(c) the purchaser/one or more of the purchasers/a person or persons in right of the purchaser/a person or persons in right of one or more of the purchasers will occupy the dwellinghouse/apartment as his/her/their only or principal place of residence for the period specified in section 91(2)(b) (new dwellinghouse/apartment with floor area certificate) of the Stamp Duties Consolidation Act, 1999, and that no person will derive any rent or payment in the nature of rent (other than by virtue of a title prior to that of the purchaser) for the use of the dwellinghouse/apartment or any part of it during that period." |
| 2A   | "It is hereby certified that section 29 (conveyance on sale combined with building agreement for dwellinghouse/apartment) of the Stamp Duties Consolidation Act, 1999, applies to this instrument."  |
| 2B   | "It is hereby certified that section 53 (lease combined with building agreement for dwellinghouse/apartment) of the Stamp Duties Consolidation Act, 1999, applies to this instrument."   |
| 3A   | "It is hereby certified that section 29 (conveyance on sale combined with building agreement for dwellinghouse/apartment) of the Stamp Duties Consolidation Act, 1999, does not apply to this instrument."   |
| 3B   | "It is hereby certified that section 53 (lease combined with building agreement for dwellinghouse/apartment) of the Stamp Duties Consolidation Act, 1999, does not apply to this instrument."  |
| 4A   | "It is hereby certified that this instrument gives effect to the purchase of a dwellinghouse/apartment on the erection of that dwellinghouse/apartment and that sections 29 (conveyance on sale combined with building agreement for dwellinghouse/apartment) and 91 (new dwellinghouse/apartment with floor area certificate) of the Stamp Duties Consolidation Act, 1999, do not apply."   |
| 4B   | "It is hereby certified that this instrument gives effect to the purchase of a dwellinghouse/apartment on the erection of that dwellinghouse/apartment and that sections 53 (lease combined with building agreement for dwellinghouse/apartment) and 91 (new dwellinghouse/apartment with floor area certificate) of the Stamp Duties Consolidation Act, 1999, do not apply."  |
| 5  | "It is hereby certified that this instrument gives effect to the purchase of a dwellinghouse/apartment"  |
| 6  | "It is hereby certified that the purchaser/each of the purchasers is a first time purchaser as defined in section 92B(1) of the Stamp Duties Consolidation Act, 1999."   |



| Certificate No. | Wording of Certificates (continued)  |
|-----------------|--|
| 7A              | "It is hereby certified that the purchaser/one or more of the purchasers/a person or persons in right of the purchaser/a person or persons in right of one or more of the purchasers will occupy the dwellinghouse/apartment as his/her/their only or principal place of residence for the period specified in section 92(1)(b)(ii) (new dwellinghouse/apartment with no floor area certificate) of the Stamp Duties Consolidation Act, 1999, and that no person will derive any rent or payment in the nature of rent (other than by virtue of a title prior to that of the purchaser) for the use of the dwellinghouse/ apartment or any part of it during that period."   |
| 7B              | "It is hereby certified that the purchaser/one or more of the purchasers/a person or persons in right of the purchaser/a person or persons in right of one or more of the purchasers will occupy the dwellinghouse/apartment as his/her/their only or principal place of residence for the period specified in section 92A(3)(ii) (residential property owner occupier relief) of the Stamp Duties Consolidation Act, 1999, and that no person will derive any rent or payment in the nature of rent (other than by virtue of a title prior to that of the purchaser) for the use of the dwellinghouse/ apartment or any part of it during that period."   |
| 7C              | "It is hereby certified that the purchaser/one or more of the purchasers/a person or persons in right of the purchaser/a person or persons in right of one or more of the purchasers will occupy the dwellinghouse/apartment as his/her/their only or principal place of residence for the period specified in section 92B(4)(b)(ii) (residential property first time purchaser relief) of the Stamp Duties Consolidation Act, 1999, and that no person will derive any rent or payment in the nature of rent (other than by virtue of a title prior to that of the purchaser) for the use of the dwellinghouse/ apartment or any part of it during that period."  |
| 8A              | "It is hereby certified that the consideration (other than rent) for the sale/lease is wholly attributable to residential property and that the transaction effected by this instrument does not form part of a larger transaction or of a series of transactions in respect of which the amount or value, or the aggregate amount or value, of the consideration (other than rent) which is attributable to residential property, or which would be so attributable if the contents of residential property were considered to be residential property, exceeds £100,000/£150,000/£200,000/£250,000/£300,000/£500,000."   |
| 8B              | "It is hereby certified (a) that the consideration (other than rent) for the sale/lease is partly attributable to residential property, and (b) that the transaction effected by this instrument does not form part of a larger transaction or of a series of transactions in respect of which the amount or value, or the aggregate amount or value, of the consideration (other than rent) which is attributable to residential property, or which would be so attributable if the contents of residential property were considered to be residential property, exceeds £100,000/£150,000/£200,000/£250,000/£300,000/£500,000, and (c) that the transaction effected by this instrument does not form part of a larger transaction or of a series of transactions in respect of which the amount or value, or the aggregate amount or value, of the consideration (other than rent) which is attributable to property which is not residential property exceeds £5,000/£10,000/£15,000/£25,000/£50,000/£60,000."<br><br>August, 2000 |