

For **Written Answer** on : **28/09/2021**  
Question Number(s): **295,296** Question Reference(s): **46805/21, 46806/21**  
Department: **Finance**  
Asked by: **Ged Nash T.D.**

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### QUESTION

\* To ask the Minister for Finance if landlords of apartments and duplexes, excluding local authorities and approved housing bodies, can write off service charges and levies to fund the remediation of defects imposed by owners management companies against their tax liabilities; and if he will make a statement on the matter.

- Ged Nash T.D.

For WRITTEN answer on Tuesday, 28 September, 2021.

\* To ask the Minister for Finance the estimated annual value of tax write-offs to the Exchequer by duplex and apartment landlords in relation to service charges and levies to fund the remediation of defects imposed by owners management companies against their tax liabilities; if he plans to extend the facility to write-off service charges and remediation levies against tax liabilities to other apartment and duplex owners, namely owner-occupiers, approved housing bodies and local authorities; and if he will make a statement on the matter.

- Ged Nash T.D.

For WRITTEN answer on Tuesday, 28 September, 2021.

### REPLY

Section 97 Taxes Consolidation Act 1997 (TCA) sets out the deductions allowable in computing rental income chargeable to income tax or corporation tax under Case V of Schedule D. Income chargeable under Case V is computed on the gross amount of rent receivable less allowable expenses incurred in earning that rent, as specified in section 97(2). These expenses include, inter alia, the cost of maintenance, repairs, insurance, and management of the premises borne by the person chargeable and which constitute an expense of the agreement under which the rent/receipts were received, but excluding any capital expenditure.

Revenue's Tax and Duty manual 04-08-01 provides detailed guidance on the tax treatment of rental income. Service charges and levies that are imposed by management companies are deductible against the landlord's rental profits.

I am advised by Revenue that it does not have a figure for the cost of deductions claimed by landlords for service charges or levies related to the remediation of defects, as it does not request such detailed information on tax returns.

Local authorities are exempt from income tax and are not subject to corporation tax, and approved housing bodies that have charitable status would benefit from the charitable tax

exemption, and therefore tax deductibility of service charges would not be relevant to such entities.

I have no plans at present to extend to other apartment and duplex owners the facility to write off service charges and remediation levies against tax liabilities as mentioned in the Deputy's question