SUBSIDIARY LEGISLATION 123.201

PRIVATE RESIDENTIAL LEASES (TAX REBATE) RULES

23rd June, 2020

LEGAL NOTICE 258 of 2020.

Citation.

1. The title of these rules is Private Residential Leases (Tax Rebate) Rules.

Definitions. Cap. 604.

2. In these rules, the terms "Authority", "private residential lease" and "long private residential lease" have the meaning assigned to them in the Private Residential Leases Act.

Scope.

Cap. 604.

3. These rules apply to income derived on or after 1 January 2020 from a private residential lease with a duration of two (2) years or more that is registered with the Authority as a long private residential lease in accordance with the Private Residential Leases Act.

Duration of the lease.

4. For the purpose of these rules the duration of a lease shall be ascertained by reference to the original period as agreed in the relative contract and no regard shall be taken of any period of renewal or extension of the original period.

Tax rebate.

Cap. 123.

5. (1) Subject to the other provisions of these rules, a person who, in the year immediately preceding the year of assessment, derives income to which these rules apply and who, for that year of assessment, exercises the option referred to in article 31D(2) of the Income Tax Act, shall be entitled to a tax rebate.

Cap. 123.

(2) The rebate shall be granted in the form of a deduction from the tax chargeable in terms of article 31D of the Income Tax Act on the rental income from each relevant private residential lease, to the extent that it represents income to which these rules apply, and shall be determined by reference to the duration of that lease and the number of bedrooms of the leased premises as stated in the contract as provided in the following table and in the other provisions of this rule:

Duration of the lease	**Number of bedrooms**	**Tax rebate**
At least two years but less than three years	One	€200
	Two	€300
	Three or more	€400
Three years or more	One	€300
	Two	€400
	Three or more	€500

(3) In respect of the year during which a lease commences or is terminated, the rebate shown in the last column of the above table shall be reduced *pro rata* to the number of days for which the lease is

in force for that year.

(4) The rebate for any year in respect of a lease cannot exceed fifteen percent (15%) of the rent derived in that year from that lease.

Claim. Cap. 372.

6. A claim for the tax rebate allowable under these rules shall be made on the form prescribed under article 42(4)(c) of the Income Tax Management Act and shall be submitted together with the payment of the tax due in terms of these rules and article 31D of the Income Tax Act.

Cap. 123.

Information to be furnished by the Authority.

7. The Authority shall, by not later than the 31st January of each year, furnish the Commissioner with a list of every long private residential lease contract for a duration of at least two (2) years that was registered with it, by the lessor or the lessee, as the case my be, in accordance with the Private Residential Leases Act as at the 31st December of the preceding year indicating, with respect to each contract, and on the basis of the information made available to it, the date of the commencement of the lease, the annual rent and the amount of the rebate calculated in accordance with rule 5.

Cap. 604.

Further information.

8. The Commissioner may require such further information and may make such enquiries, including enquiries with the Authority, as he may consider necessary in order to confirm the validity and the correctness of a claim for a rebate under these rules and he may refuse a claim in any case where he has reason to believe that any of the conditions for the rebate has not been satisfied.

Forfeiture of rebate.

9. If it results to the Commissioner that a rebate granted to a person under these rules was not actually due, he may request that person to pay an amount of tax equivalent to that rebate. Upon the service on that person of a notice of such a request, that person shall become liable to pay to the Commissioner the said amount with interest which shall run as from the 1st May of the yea of assessment for which the rebate was granted, without prejudice to the provisions of article 51 of the Income Tax Act and to any penalty for which that person may be liable in accordance with any provision of the Income Tax Acts.

Cap. 123.

Right to objection and appeal. Cap. 372.

10. A person who wishes to dispute a request for payment made in terms of rule 9 shall have the right to file an objection and an appeal in accordance with the provisions of the Income Tax Management Act in the same manner and to the same extent as if that request were an assessment made under article 31 of that Act