

Home Renovation Incentive (HRI)

Introduction

The Home Renovation Incentive was announced by the Minister for Finance in his budget speech on 15th October 2013 as a means of incentivising the construction sector, in particular the smaller contractors. There has been considerable interest in the scheme which has been supported by media advertising by businesses in the construction sector and by various announcements of financial support from banks, credit unions, etc.

What types of work qualify?

The work must be carried out on a person's main or principal private residence and qualifying works can include extensions, painting and decorating, plumbing, tiling, plastering, supply and fitting of windows, supply and fitting of kitchens, bathroom upgrades, landscaping, etc., which qualify for the rate of 13.5% VAT. The work can be carried out as one job or on a phased basis and it can be carried out by one or more Contractors.

Qualifying contractors

The incentive is designed to support tax compliant contractors who must be registered for VAT. To operate under the Home Renovation Incentive, a compliant contractor is one who qualifies for the 0% or 20% rate of RCT.

Input of HRI works and payments to Revenue's electronic system

All works and payments will have to be registered electronically with Revenue when the electronic HRI system is available in early April. You will need the property ID from the homeowner in order to enter HRI work on the electronic system. The property ID was included on all Local Property Tax letters issued to homeowners by Revenue. If you have not already done so, you might consider obtaining this information from your customers now to avoid delays when the system goes live.

You will be able to enter the HRI system through the "My Services" page in ROS. A further announcement will be made closer to the go-live date.

Revenue provides full details of the Incentive on their website including detailed Frequently Asked Questions.

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