

Have you claimed your tax breaks?

The annual pay and file tax deadline – November 13th via the Revenue on-line system, ROS.ie isn't just for the self-employed who want to top up their pension funds in order to claim additional tax relief on last year's tax bill.

It's also a requirement for anyone who has non-PAYE income or for anyone who hasn't claimed all their tax credits and allowances for up to the past four years.

These are the most common tax credits/reliefs for self-employed and PAYE earners:

Pensions: If you are self-employed, a sole trader or have a director's pension, you have until Nov 13 to top up your contribution and file and pay your tax liability via the Revenue's on-line service ROS.ie.

Pension rules dictate that you can contribute up to 15% of your income into a personal pension (including a PRSA) up to age 30, 20% up to age 39, 25% up to age 49, 30% up to age 54, 35% up to age 59 and 40% up to and over age 60.

On these contributions you can claim either 20% income tax relief if you earn up to €32,800 or 41% if you earn over that amount. For every €100 you save, the actual cost becomes either €80 or €59. For example: someone who puts €5,000 into their pension (€417 a month) by mid-November can reduce their annual tax bill by either €1,000 or by €2,050.

Rental Income: If you are a landlord you also need to file and pay by the deadline, even if your main income is PAYE. You can claim up to 75% of the interest on borrowings, plus other expenses against your gross rental income liability such as local rates (but not the local property tax), building insurance, repairs and renewals, utilities (if you pay them), cleaning, maintenance, management fees, advertising, PRTB registration fees, mortgage protection insurance.

Only 12.5% of the value of the fixtures and fittings can be claimed each year.

For example, someone with €15,000 of rental income and €10,770 of allowable expenses will have net income of €4,230. Less 12.5% of the fixtures and fittings capital allowances of €875 will leave them with €3,355 worth of taxable income or €1,744.60 of 41% income tax, 4% PRSI and 7% USC. (Retired people pay no USC and may have a lower USC liability depending on their age and total income.)

Budget 2015 allows landlords next year to claim the Home Renovation Incentive Scheme of 13.5% VAT relief on renovations worth at least €5,000 up to €30,000.

Medical Expenses: A long list of medical and dental expenses can be claimed against income tax at the standard rate of 20%.

My colleague, tax expert Sandra Gannon of TAB Taxation Services says: "About 50% of all the new clients we take on each year are failing to collect their back medical and dental expenses that are not covered by private health insurance. This can be worth a lot of money to families in particular."

You don't need to fill out a Form 11 tax return only at the this time of year to claim the 20% tax relief; you can fill out a Med 1 or Med 2 form using the Revenue.ie PAYE 'anytime' service. All nursing home expenses are tax deductible at the 41% rate to whoever pays them and health services incurred outside the state also qualify for the 20% tax relief.

Home Carer's Credit: This is a tax credit of €810 available to a jointly assessed married/civil partnership couple where one partner claims for one or more dependent people, including a child, someone over 65 or someone who is permanently incapacitated. The recipient can get the credit in their own name if they earn less than €5,080 (and a reduced credit if they earn up to €6,700.)

Private College Fees: The cost of private college fees or post-graduate fees (less the standard registration fee of €2,750 this year) can also be claimed as tax relief at the standard rate of tax up to a maximum course cost of €7,000

Mortgage Interest and Tenant Relief: Both these reliefs are being wound down: mortgage interest should be paid at source at a rate of 30% to qualifying buyers who bought between January 1 2004-December 31, 2008 for the years 2012-2017. Tenants who signed a lease before December 5, 2010 can still claim tax relief but the amount is being phased out and will be gone entirely by 2018. (For more info see http://www.citizensinformation.ie/en/housing/renting_a_home/tax_relief_for_tenants.html)

Finally, don't forget that you can retrospectively claim all these tax reliefs going back four years.

Better in your pocket than the Revenue's.

If you have a personal finance question for Jill, please email jill@jillkerby.ie or write to her at Jill Kerby, The Munster Express, 37, The Quay, Waterford.