Money Matters

A series of weekly articles by Quintas Experts

Written By
Abina Kenneally
Partner

TOP TIPS FOR SAVING TAX

At this time of the year most self-employed people are acutely aware that their tax return for 2010 should be submitted to the Inspector of taxes by the 31st of October or the 15th of November if filed and paid online. Therefore it is an appropriate time for every tax payer, self-employed or PAYE worker, to ensure that they are claiming all their available tax reliefs for 2010. Annually almost €400m in tax reliefs go unclaimed by tax payers.

Most tax reliefs are now allowable at the standard rate of tax i.e. 20%, but there are some that are still available only at the marginal rate i.e. 41%. The main two being tax relief on pensions and nursing home fees. The balance of the relief can be claimed by tax payers as a deduction from the tax they paid in 2010, at a rate of 20%.

The most common reliefs are as follows:

Medical expenses: Family medical expenses can be claimed as a tax deduction at 20%. Including non-routine dental expenses, on receipt of a Form Med 2 from your dentist.

Home carer's credit: This is claimable by married persons who are jointly assessed and where one spouse works at home to care for children, the aged or incapacitated persons. The relief for 2010 is €900 and €810 for 2011.

Rent credit: Tax relief may be claimed by tenants for the rent paid in respect of rented residential accommodation which is their sole or main residence. The tax credit for persons under 55 years is a maximum of €400 for a single person or €800 for a married couple and for persons over 55 years it is doubled. The Finance Act 2011 abolished the relief for new tenants with effect from the 7th of December 2010.

Third–level tuition fees: Tax relief is available in respect of tuition fees (not registration fees) paid to an approved college for an approved course. The maximum qualifying fees are restricted to €5,000.

Service charges: Tax relief may be claimed on a prior year basis on service charges paid. An upper limit of €400 applies.

Tax payers beware!

When claiming tax relief it is important that you have the relevant documentation to verify the claim, as The Finance Act 2011 introduced new legislation whereby there is now a penalty of €3,000 payable, by any person who makes a false claim, regardless of how little the refund claim was.

Anyone seeking advice or assistance on submitting their tax return can contact Quintas on 021 4641400.

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