

# Money Matters

A series of weekly articles by Quintas Experts

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## TOP TIPS FOR saving tax

It is that time of year again when self-employed people are preparing their 2011 tax return, before the online filing deadline of the 15th of November. Therefore it is an appropriate time to revisit the available tax reliefs to ensure that all tax payers, whether self-employed or a PAYE worker, are claiming all their available tax reliefs for 2011.

Most tax reliefs are now allowable at the standard rate of tax i.e. 20%, but there are some that are still available at the marginal rate i.e. 41%. They include tax relief on pension payments, nursing home fees, film investment relief and deed of covenants. The balance of the reliefs can be claimed by tax payers as a deduction from the tax they paid in 2011, 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 2011 is €810.

**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. This relief was abolished by the Finance Act 2011, for new tenants, but is available on a phased out basis for individuals who were paying qualifying rent under a qualifying tenancy before the 7th of December 2010. The tax credit for persons under 55 years is a maximum of €320 for a single person or €640 for a married couple and for persons over 55 years it is doubled.

**Third-level tuition fees:** Tax relief is available in respect of tuition fees paid to an approved college for an approved course. The maximum annual relief is restricted to €7,000.

**Service charges:** Tax relief may be claimed on a prior year basis on service charges paid. An upper limit of €400 applies. The relief has been abolished from 2012 onwards.

### 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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