

# ANNEX G

## Residential Stamp Duty Reform

### Details of Changes in Stamp Duty Liability and Effective Stamp Duty Rates at Various Property Values

With immediate effect the Stamp Duty regime applicable to residential property is being reformed and simplified. The structure of the existing and new systems is set out as follows:

#### Existing system<sup>1</sup>:

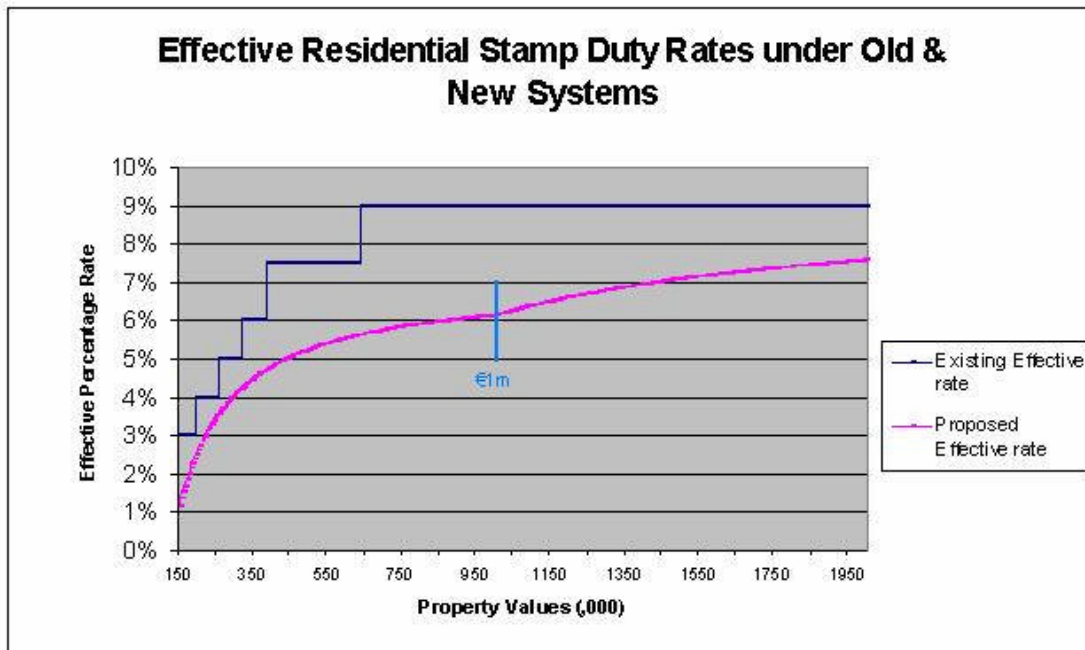
<i>Property Value</i>	<i>Rate</i>
Up to € 127,000	Nil
127,001 - €190,500	3%
€190,501 - €254,000	4%
€254,001 - €317,500	5%
€317,501 - €381,000	6%
€381,001 - €635,000	7.5%
Over € 635,000	9%

#### New System:

<i>Property Value</i>	<i>Rate</i>
Up to €125,000	Exempt
Next €875,000	7%
Balance	9%

The reformed residential Stamp Duty regime removes the distortionary effects of the existing regime. The chart below illustrates the changes in the effective Stamp Duty rates under the existing and new regimes:

#### *Residential properties valued between €150,000 and €2,000,000*



<sup>1</sup> Under the existing system, a single rate of Stamp Duty applies to the full value of the property.

The following tables illustrate the change in Stamp Duty liability, at various property values, under the existing and new residential stamp duty regimes.<sup>2</sup>

**TABLE 1: Residential properties valued between €150,000 and €2,000,000**

<b>Property Value</b>	<b>Old SD Liability</b>	<b>New SD Liability</b>	<b>Reduction in liability</b>	<b>Percentage Saving</b>	<b>Old Effective Rate</b>	<b>New Effective Rate</b>
€	€	€	€	%	%	%
150,000	4,500	1,750	2,750	61%	<b>3.0%</b>	<b>1.2%</b>
200,000	8,000	5,250	2,750	34%	<b>4.0%</b>	<b>2.6%</b>
250,000	10,000	8,750	1,250	13%	<b>4.0%</b>	<b>3.5%</b>
300,000	15,000	12,250	2,750	18%	<b>5.0%</b>	<b>4.1%</b>
350,000	21,000	15,750	5,250	25%	<b>6.0%</b>	<b>4.5%</b>
400,000	30,000	19,250	10,750	36%	<b>7.5%</b>	<b>4.8%</b>
450,000	33,750	22,750	11,000	33%	<b>7.5%</b>	<b>5.1%</b>
500,000	37,500	26,250	11,250	30%	<b>7.5%</b>	<b>5.3%</b>
550,000	41,250	29,750	11,500	28%	<b>7.5%</b>	<b>5.4%</b>
600,000	45,000	33,250	11,750	26%	<b>7.5%</b>	<b>5.5%</b>
650,000	58,500	36,750	21,750	37%	<b>9.0%</b>	<b>5.7%</b>
700,000	63,000	40,250	22,750	36%	<b>9.0%</b>	<b>5.8%</b>
750,000	67,500	43,750	23,750	35%	<b>9.0%</b>	<b>5.8%</b>
800,000	72,000	47,250	24,750	34%	<b>9.0%</b>	<b>5.9%</b>
850,000	76,500	50,750	25,750	34%	<b>9.0%</b>	<b>6.0%</b>
900,000	81,000	54,250	26,750	33%	<b>9.0%</b>	<b>6.0%</b>
950,000	85,500	57,750	27,750	32%	<b>9.0%</b>	<b>6.1%</b>
1,000,000	90,000	61,250	28,750	32%	<b>9.0%</b>	<b>6.1%</b>
1,100,000	99,000	70,250	28,750	29%	<b>9.0%</b>	<b>6.4%</b>
1,200,000	108,000	79,250	28,750	27%	<b>9.0%</b>	<b>6.6%</b>
1,300,000	117,000	88,250	28,750	25%	<b>9.0%</b>	<b>6.8%</b>
1,400,000	126,000	97,250	28,750	23%	<b>9.0%</b>	<b>6.9%</b>
1,500,000	135,000	106,250	28,750	21%	<b>9.0%</b>	<b>7.1%</b>
1,600,000	144,000	115,250	28,750	20%	<b>9.0%</b>	<b>7.2%</b>
1,700,000	153,000	124,250	28,750	19%	<b>9.0%</b>	<b>7.3%</b>
1,800,000	162,000	133,250	28,750	18%	<b>9.0%</b>	<b>7.4%</b>
1,900,000	171,000	142,250	28,750	17%	<b>9.0%</b>	<b>7.5%</b>
2,000,000	180,000	151,250	28,750	16%	<b>9.0%</b>	<b>7.6%</b>

<sup>2</sup> These tables relate to the standard residential Stamp Duty regime. First-time purchasers of all residential property and other owner-occupying purchasers of new residential property under 125m<sup>2</sup> are exempt from stamp duty. Other owner-occupying purchasers of new residential property over 125m<sup>2</sup> are liable to stamp duty on the greater of the site value or 25% of the property value (excluding VAT) at the standard rates, thresholds and exemption.

**TABLE 2: Residential properties valued based on existing thresholds**

Property Value	Old SD Liability	New SD Liability	Reduction in liability	Percentage Saving	Old Effective Rate	New Effective Rate
€	€	€	€	%	%	%
127,000 <sup>3</sup>	0	0	0	0	<b>0.0%</b>	<b>0.0%</b>
127,001	3,810	140	3,670	96%	<b>3.0%</b>	<b>0.1%</b>
190,500	5,715	4,585	1,130	20%	<b>3.0%</b>	<b>2.4%</b>
190,501	7,620	4,585	3,035	40%	<b>4.0%</b>	<b>2.4%</b>
254,000	10,160	9,030	1,130	11%	<b>4.0%</b>	<b>3.6%</b>
254,001	12,700	9,030	3,670	29%	<b>5.0%</b>	<b>3.6%</b>
317,500	15,875	13,475	2,400	15%	<b>5.0%</b>	<b>4.2%</b>
317,501	19,050	13,475	5,575	29%	<b>6.0%</b>	<b>4.2%</b>
381,000	22,860	17,920	4,940	22%	<b>6.0%</b>	<b>4.7%</b>
381,001	28,575	17,920	10,655	37%	<b>7.5%</b>	<b>4.7%</b>
635,000	47,625	35,700	11,925	25%	<b>7.5%</b>	<b>5.6%</b>
635,001	57,150	35,700	21,450	38%	<b>9.0%</b>	<b>5.6%</b>

**TABLE 3: Average residential property values, nationally & in Dublin Q2/2007<sup>4</sup>**

Property Value	Property Location	Old SD Liability	New SD Liability	Reduction in liability	Percentage Saving	Old Effective Rate	New Effective Rate
€		€	€	€	%	%	%
369,837	National	22,190	17,139	5,052	23%	<b>6.0%</b>	<b>4.6%</b>
473,749	Dublin	35,531	24,412	11,119	31%	<b>7.5%</b>	<b>5.2%</b>

<sup>3</sup> Properties with a value in excess of €125,000 and not exceeding €127,000 will be exempt from stamp duty.

<sup>4</sup> These property values are taken from the Housing Statistics published by the Department of the Environment, Heritage and Local Government.