

What is the Help to Buy (HTB) Scheme?

The Help to Buy (HTB) incentive is a scheme for first-time property buyers. It will help you with the deposit you need to buy or build a new house or apartment. You must buy or build the property to live in as your home.

The incentive will give you a refund of [Income Tax](#) and [Deposit Interest Retention Tax \(DIRT\)](#) that you paid in Ireland (minus any refunds you have already claimed). The refund will be from the four years prior to making the application.

Who can claim the Help to Buy (HTB) incentive?

To claim HTB, you must:

- be a first-time buyer
- buy or build a new property between 19 July 2016 and 31 December 2021
- live in the property as your main home for five years after you buy or build it
- be tax compliant, if you are self assessed you must also have [tax clearance](#).

To qualify, you must not have previously bought or built a house or apartment, either on your own or jointly with any other person. If you are buying or building the new property with other people, they must also be first-time buyers. If you have inherited or been gifted a property it will not affect your eligibility.

If you are buying the property, you must have signed a contract to buy that property on or after 19 July 2016. If you are self-building, you must have drawn down the first part of the mortgage on or after that date.

Approved developers and contractors

The contractor you are purchasing your home from must be approved by Revenue. You can check the [list of approved developers and contractors](#) to make sure that your developer or contractor is approved.

What type of property qualifies?

To qualify for HTB, the property that you build or buy must be:

- your home
- newly built with the construction subject to [Value Added Tax \(VAT\)](#) in Ireland.

The property must never have been used, or have been suitable to use, as a residential home. If the property was non-residential, but has been converted for residential use, it

may qualify for HTB. If you buy or build the property as an investment, it does not qualify for HTB.

Purchase value

The purchase value of a new build means the price that you bought it for. For self-built property, the purchase value is the approved valuation by the lender at the time that you took out the mortgage.

If you bought the property between 19 July 2016 and 31 December 2016, the purchase price must be €600,000 or less. If you bought it after 1 January 2017, it must be €500,000 or less.

Mortgage

You must take out your mortgage on the property with a qualifying lender. This loan must be used only for buying or building the property. The loan must be at least 70% of the purchase value of the property. This is known as the loan to value ratio.

You are allowed to have a guarantor on the loan.

How much can you claim?

The amount that you can claim is the lesser of:

- €20,000 (increased to €30,000 for enhanced relief)
- 5% of the purchase price of a new home. For self-builds this is 5% of the approved valuation of the property. This has been increased to 10% for those qualifying for enhanced relief.
- the amount of [Income Tax](#) and [Deposit Interest Retention Tax \(DIRT\)](#) you have paid for the four years before you make your application.

The maximum payment is €20,000 per property (increased to €30,000 for enhanced relief). This cap applies regardless of how many people enter into a contract to buy a house.

[Universal Social Charge \(USC\)](#) or [Pay Related Social Insurance \(PRSI\)](#) are not taken into account when calculating how much you can claim.

Enhanced Help to Buy Scheme

As part of the Government's July Jobs Stimulus package an enhanced HTB incentive was introduced for the remainder of 2020. The Finance Act 2020 extended this to 31 December 2021.

During the period from 23 July 2020 to **31 December 2021**, applicants will be eligible for increased relief if they:

- sign a contract for the purchase of a new house or apartment
- **or**
- make the first draw down of the mortgage in the case of a self-build property,

The maximum HTB refund is calculated at the lesser of:

- €30,000 (up from €20,000)
- 10% (up from 5%) of the purchase price of a new home. For self-builds this is 10% (up from 5%) of the approved valuation of the property.
- the amount of [Income Tax](#) and [Deposit Interest Retention Tax \(DIRT\)](#) you have paid for the four years prior to making the application.

Applicants that made a HTB application under the original scheme, may satisfy the enhanced HTB requirements.

For further details please see [Help to Buy \(HTB\) Part 15-01-46](#) and [Summary Guide for Help to Buy Applicants](#).

How will the refund be paid?

If you bought or built the property between 19 July 2016 and 31 December 2016, the refund will be paid directly to you.

If you buy a new build after 1 January 2017, the refund will be paid to the contractor.

If you self-build the property after 1 January 2017, the refund will be paid to a bank account you hold with your loan provider.

What do you need to do before you apply?

Before you apply, you must be registered for either:

- [myAccount](#), if you are an employee and pay tax through [PAYE](#)
- [Revenue's Online Service \(ROS\)](#), if you are [self-employed](#).

If you pay tax through PAYE

Before you apply for HTB, you must submit an Income tax Return for each year you wish to apply for a payment and pay any outstanding tax due. You must have a Tax Clearance Certificate if you were registered for another tax in any part of the refund years in which you are applying for.

Use [myAccount](#) to submit an Income Tax Return for the relevant years. Online Income Tax Returns are pre-populated with your pay and tax details.

If you are self-employed

If you are [self-assessed](#), you must be fully tax compliant and have [tax clearance](#). You must have filed your Income Tax returns and paid all the tax that you owe for any years where you were self-employed. Use [Revenue Online Service \(ROS\)](#) to submit your Form 11.

Four year rule

You may have signed your contract to buy a new build or draw down the first part of your mortgage for a self build between 1 January and 31 March 2021. If so, you may select either the:

- year of purchase to be the actual year you bought or built your home
- previous year provided you make your application before 31 May 2021.

This will allow you to select the four year period which is of most benefit to you.

Example

If your contract or draw-down date is 2 February 2021, you may choose whether that took place in either 2020 or 2021.

If you choose 2020, this will allow you to use your Income Tax and DIRT for the four years from 2016 to 2019.

If you choose 2021, you can use the years from 2017 to 2020.

Selecting 2020 as a year

You may select 2020 as a year in your HTB application once you:

- have submitted your annual Income Tax Return for that year
- **and**
- have received your Statement of Liability from Revenue with respect to that year.

The Statement of Liabilities is not issued until after your return has been submitted. An underpayment of tax in 2020 due to income received from the Pandemic Unemployment Payment or Temporary Wage Subsidy Scheme does not need to be paid in 2021. Revenue will collect the underpayments, interest free, by reducing your tax credits over 4 years starting in 2022.

How do you apply for Help to Buy (HTB)?

Use [myAccount](#) or [Revenue Online Service \(ROS\)](#) to apply for HTB online.

There are two stages to the online process:

- the application stage
- the claim stage.

Application stage

You can apply as an individual, or part of a group that is buying or building a property. You must complete a declaration and select the years you want to use for a refund. If you are tax compliant, your application will be approved. You will be provided with an application number and a summary of the maximum amount you can claim. You will also be given a 6 digit access code separately through [MyEnquiries](#).

Keep a safe note of both of these codes as you will need to provide them to your lender. If you are buying your home you will also need these codes for your qualifying contractor. If you are self-building you will need these codes for your solicitor. Your contractor or solicitor will require this information to verify what you have submitted.

If you make a HTB application but have not yet made a claim, your application will expire on 31 December. You can then re-apply and make a new HTB application.

Claim stage

You can make your claim once you have either:

- signed the contract for your home
- drawn down the first part of the mortgage if you are self building.

Login to HTB through [myAccount](#) or [Revenue Online Service \(ROS\)](#) and complete the following steps below.

Step 1

Upload evidence of your mortgage and the following information about your application:

- if you are buying a home: a copy of the signed contract
- if you are building a home:
 - proof of the drawdown of the first part of the mortgage
 - a copy of the valuation report from your lender.

Step 2

You will be asked to confirm details about the:

- property
- purchase price
- date of completion
- mortgage
- amount of deposit already paid.

If you are applying with other people you will also need to confirm the portion of the refund to be refunded to each person. If you are self-building, you will need to provide the BIC and IBAN of the loan bank account.

Once you have submitted your claim you will be provided with a claim reference.

Please ensure that you have carefully checked all the information you input before you sign and submit the claim.

If any of the information you have provided is incorrect, you must:

- cancel your claim
- submit a new claim with the correct information

This must be done before you continue to step 3.

Step 3

Once you have submitted your claim you should advise your developer or contractor (or solicitor if you are self-building).

Provide them with your claim reference (issued to you after step 2) and access code (issued to you when you submitted your application). Before you receive any refund, the information you have provided will need to be verified by the:

- developer or contractor, in the case of a new build
- solicitor acting on your behalf, in the case of a self-build.

The refund that you finally receive is limited to 5% of the purchase price of the house. This may mean that it is different to the maximum relief amount that you were given at application stage.

Can Revenue claw back a refund?

Revenue can claw back refunds if:

- you were not entitled to the refund
- you do not live in the property for a minimum of five years
- you did not finish the process to buy the property
- you did not finish building the property.

Revenue can claw back refunds from the contractor if:

- the property is not bought by you within two years from when the refund was made to the contractor
- Revenue has reasonable grounds to believe that the property will not be bought by you within that two-year period.

There is some flexibility around the two-year period. This can apply if Revenue is satisfied that the property is either:

- almost complete at the end of the two years
- likely to be completed within a reasonable time period.

Once the residence is built and bought by you, you are solely responsible for meeting the conditions for the HTB refund. The developer is no longer responsible after this point.