

# moneydoctor

IRISH DAILY  
**STAR**

GET YOUR FINANCES FIGHTING FIT!

JOHN  
LOWE



## SHOULD I LET HOME?

### I'm worried about tax liabilities

**Q** WE'VE let a room in our house for the last four years.

For the 2014 year, we received €11,000 — but we are soon going away for three years so are thinking of letting it fully.

*With all this Revenue stuff about Airbnb, we're wondering will we be penalised on the income already earned and what should we do about the rent when we let it fully?*  
John, Swords.

**A** THE good news is you won't have any further tax liability on your 2014 income already paid.

Last year's income of €11,000 is under the threshold of €12,000 you are allowed under the Rent A Room Allowance (RARA).

The Airbnb liability on income earned on short-term lettings (as opposed to long-

term lettings covered by the RARA scheme) has not yet been defined and I am sure there will be a Revenue challenge from disgruntled landlords who would like to think it falls under RARA.

#### Interest

With regard to renting your home out, you will have many offsets against that rental income tax liability including mortgage interest (75 per cent of the interest paid each year) insurance, repairs, and more.

**You MUST though make a return of that rental income each year. You'll also potentially lose out on capital gains tax liability if applicable and if you choose to sell while still in rent mode.**

Coming back in three years to live in your home will reverse that potential liability. Good luck on your travels.

Q&A



BOOMING: Lots of people are searching for homes

## MONEY SHORTS: DON'T HOARD AT HOME

**BURGLARIES** are on the rise and Dublin households are the biggest victims — while Donegal is the safest county in Ireland.

A survey of 15,500 people found 28.5 per cent said their home has been burgled at some stage — and

that rises to a shocking 38 per cent in the capital.

So stashing the cash at home should be a no-no — just think of the unfortunate Israeli woman who in 2009 threw out her mother's old mattress... without realising \$1m

(€892,857) was stashed inside it!

**EVER** wondered where the term salary came from? Early Romans used salt as a form of money, and the word "salary" comes from "sal" — which means salt in Latin.

### TIP OF THE WEEK: SWITCH FOR SAVINGS

THE banks' mortgage-go-round is in full swing. Competition is hotting up after AIB reduced its standard variable rate three times in the last 18 months.

Ulster Bank has just brought out the most competitive three-year fixed rate — 3.2 per cent.

BUT you must firstly be borrowing in excess of €250,000, secondly the loan should not exceed 80 per cent of the value of the property, and lastly you MUST open a current account with them.

For switchers and first time buyers, KBC Bank continues to lead the rates.

It operates a tiered-rate system — the lower the loan to value, the better the rate. KBC's standard variable rate for loans of 50 per cent or under rate is 3.45 per cent — 3.25 per cent if you open a current account with KBC, while



DECISIONS: Mortgage hunters

borrowing up to 90 per cent will cost you 3.92 per cent (3.72 per cent with a current account).

Expect these variable rates to go lower too. Email me for details.

## Doc's savers



HERE are some more bargains I spotted:

- Ten coffees for €10 (62% discount) from Wake Cup, Talbot Street, Dublin 1. Tel (01) 818 2967.
- One night for two people at Benners Hotel in Tralee for €45 (50% discount). Tel 066 712 9486.
- Two EDT driving lessons €28 (53% discount) from



NEVER BEAN CHEAPER: Get bargain coffees at Wake Cup

Dunboyne Driving School. Tel 085 1615588.

- VIP helicopter flight over Dublin and two-course dinner in Gourmet Food Parlour, Swords, €99 (60% discount). Tel 083 1348894 (Heliservices Ireland).

Tell them the Money Doctor sent you! Email real savings to [jlowe@moneydoctor.ie](mailto:jlowe@moneydoctor.ie).

JOHN Lowe is founder and managing director of Providence Finance Services Limited, which trades as Money Doctor.

The financial advisor, whose firm is based in Stillorgan, Co Dublin, is also the author of the

best-selling book The Money Doctor 2015 (published by Gill & Macmillan).

He is available for seminars and consultations.

Contact him at [consultation@moneydoctor.ie](mailto:consultation@moneydoctor.ie) or phone 01 278 5555.

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