

A step by step guide to registering a land lease

Long term leasing (minimum 5 years and ideally longer) is an effective land use collaboration. It is very tax efficient for the land owner.

The thresholds for Income Tax exemption for leases taken out on or after 1 January 2015 are

- €18,000 where all the qualifying leases are for 5 or 6 years,
- €22,500 where all the qualifying leases are for 7 but less than 10 years,
- €30,000 where all the qualifying leases are for 10 but less than 15 years,
- €40,000 where all the qualifying leases are for 15 years or more.

Leases also give certainty and security to both parties. The tenant can take a long term view on the land use to deliver best return and enhance the land.

The IFA Master Lease is a legally proofed draft land lease agreement that can be used without the need to directly engage a solicitor. Farmers are advised to seek good independent professional advice when considering long term leasing or any collaborative arrangement.

The Steps

1. The IFA Draft Master Lease is available to download from the IFA web site or Land Mobility web site www.landmobility.ie
Alternatively you can get a copy from your local IFA office, or contact a solicitor for a draft or specimen land lease agreement.
2. Complete the lease agreement, most clauses are standard, any specific requirements or clauses can be specified where relevant.
The land owner and tenant both sign the lease agreement, this must be witnessed. The witness can be any agreed competent person (Teagasc advisor, Land Mobility facilitator, accountant, solicitor, auctioneer, IFA officer, mutual acquaintance, other)
3. Take copies of the lease agreement for your own records and to pass onto your solicitor or accountant as required.
4. Register the lease with Revenue:
Probably the easiest way to register the lease is through 'e stamping'.
'e Stamping' is one of Revenue's latest on line filing services under ROS www.revenue.ie
 - a) Register for ROS, your accountant can assist you with this.
If you are already registered under ROS you can access 'e stamping' by entering ROS
 - b) Enter ROS and select stamp duty from the list of taxes and duties.
While in ROS follow the prompts and drop down menus entering the details required.

Select from the computer screen;

- Select **File a Return**
 - Select **Stamp Duty**
 - Select **Stamp Duty Return**
 - Continue with no payment option
 - Select **Lease**
 - Provide Date of Lease
 - Provide type
 - Specify Lessor (land owner) and Lessee details including tax reference numbers
 - Specify relationship between lessor and lessee
 - Specify address and land details requested
- c) Upon completion '**e stamping**' will present you with a review summary for your acceptance (you can also choose to reject or amend)
- d) You can then click "**sign and submit**"
- e) Revenue will issue a Stamp Certificate and a record of the data entered to your ROS mail box. You can down load and print from this mail box.
- You can complete this e stamping procedure yourself or in conjunction with your accountant.

5. Finally leases are obliged to be registered with the Property Services Regulatory Authority. This can be done online by providing a number of details on the lease including length, annual consideration, and location. www.propertypriceregister.ie

The Land Mobility Service

Austin Finn

Programme Manager

086 2541425

www.landmobility.ie

