

B10.3 Can you give some specific examples?

Again it is important to examine the contract, rather than individual invoices/documents. Where the term invoice is used this should be taken as referring to an invoice or document depending on the circumstances. The following examples relate to whether RCT applies to the contracts or not. The question as to whether the VAT Reverse Charge applies is set out in Section B11.

Ref	Item	Notes
B10.4	What RCT applies on a contract to supply and install a prefab?	A prefab is a reasonably large item set in place on a permanent or semi-permanent basis and is considered to be a structure. If there is one contract, RCT applies to all of the payments under the contract.
B10.5	What RCT applies where there are <i>two</i> separate contracts, one for supply of a prefab and one for installation?	RCT only applies to the installation contract.
B10.6	What RCT applies where there are <i>two</i> separate contracts, one for hire of a prefab and one for installation, including groundworks?	RCT only applies to the installation contract.
B10.7	What RCT applies on a <i>single</i> contract for hire and installation (including delivery and groundworks) of a prefab?	RCT applies to all of the payments under the contract.
B10.8	Does RCT apply to the supply and installation of new lockers for school?	If the lockers can be removed without causing structural damage, then the work is not within the scope of RCT. They do not alter the building or structure.
B10.9	A school is getting a book-shelf fitted along one full wall. Does RCT apply?	There are many types of shelving available. Most do not come within the scope of RCT as they are attached by screws, can be easily removed (fitted rather than fixed) and do not alter the building or structure no matter how long they are. Some shelving is specifically designed (for the specific building or structure) and fixed and becomes an integral part of the structure and would therefore come within the scope of RCT. This however would normally happen at the design stage of the building or in the course of a major revamp.
B10.10	Is the provision of a manned out of hours security presence subject to RCT?	The provision of security personnel would only be liable to RCT if it was specifically included in an overall construction contract.
B10.11	How are lift maintenance contracts that include call outs treated for RCT?	A lift is part of the fabric of a building, a fixture. Alterations or repairs would therefore come within the scope of RCT. If the contract includes any provision for repairs, whether carried out or not, then all payments under the contract are subject to RCT.
B10.12	Does RCT apply to computer repairs and cleaning?	The repair and cleaning of <i>individual</i> computers is not subject to RCT. However, where there is a repair to a system of telecommunications, RCT applies.

B10.13	Does RCT apply to the installation and configuration of computer access points ?	Extensions to systems already in place such as whiteboards, projectors, connected to an existing computer system, are not considered to come within the scope of the legislation. As a general rule, alterations that become part of the fabric of a building or a structure come within RCT. For example, a contract for rewiring broadband would be within RCT, but supplying and plugging in a router would not. If there are specific queries in relation to whether a "telecommunications" contract comes within the scope of RCT, please send an email with full details of the nature of the work being carried out and the system being installed, repaired or altered to your local Revenue Office
B10.14	Does RCT apply to the supply and installation of Whiteboards in a school?	The supply of whiteboards is not a construction operation. Revenue takes the view that whiteboards are an add-on to an existing system of telecommunications and therefore the installation of them is outside the scope of RCT. They do not constitute the alteration or repair of a system.
B10.15	Does RCT apply to a contract for unblocking drains ?	This is considered maintenance work and therefore not subject to RCT.
B10.16	Does RCT apply to replacing locks on windows ?	Replacing locks on windows would not be considered a repair or alteration that comes within the scope of RCT.
B10.17	Does RCT apply to carpet cleaning ?	Operations such as cleaning gutters, roofs, carpets etc. are considered maintenance and are not subject to RCT.
B10.18	Does RCT apply to painting ?	RCT applies to painting a building as part of an overall construction project as it renders the building complete. Where a painting job is not part of an overall construction project, it can only be a construction operation and subject to RCT if it is considered to be an alteration to a building. This will depend on the facts of the case. If it is a minor painting job, it would not be an alteration it would be classed as routine maintenance and not subject to RCT. However, a major painting job could be considered to contain a sufficient degree of alteration to the building and therefore be subject to RCT (see B10.2).
B10.19	If a school employs a cleaner to clean the school during the summer holidays, is this liable to RCT?	Routine cleaning is considered maintenance and is not subject to RCT. However if the cleaner is employed, and is an employee, then the earnings may be subject to PAYE/PRSI/USC. Guidance on determining whether a worker is an employee or self-employed contractor is available here
B10.20	Boiler Maintenance: Twice a year a school has their boiler checked (maintenance) and, on the last inspection, a repair was carried out. Is the full payment for this invoice liable for RCT?	Taking these four examples together, the Board needs to go back to the original contracts with the service providers, rather than look at individual invoices. Repairs to systems of heating, fire alarms is a

B10.21	Fire alarm service: When the Engineer called, he found a fault on the fire alarm system and had to fit a new smoke detector. Is this liable for RCT?	construction operation. <i>Contracts that are for repair work, or for repair and maintenance, are within the scope of RCT.</i> If there is any element of repair included in the contract (the contract provides for a single consideration for the repair <i>and</i> maintenance), then the contract is a relevant contract and <i>all payments</i> under that contract are subject to RCT. However, if there are separate contracts, one covering maintenance and one covering repairs, then only the consideration applicable to the repairs is subject to RCT. In Revenue's experience, however, such contracts are a rarity. Most maintenance contracts will allow the service provider carry out repairs up to a set amount. If this is the case then all payments under the contract are subject to RCT. Each contract should be examined on its own merit.
B10.22	Fire alarm: An emergency call out to the school as a result of a fault in the alarm system that was fixed by the engineer. Is this charge liable for RCT?	
B10.23	Service call: A security keypad was faulty and the engineer had to replace the keypad? What part of the invoice is liable for RCT?	
B10.24	Can you comment on the correct application of RCT to small electrical repairs/ alterations?	Repairs to fixtures are within the scope of RCT. Electrical wiring and any connected lampholders, powerpoints and fuseboards etc. are fixtures and therefore within the scope of RCT. On the other hand, decorative lampshades etc. are fittings and do not come within the scope of RCT.
B10.25	The school has had a new cooker and freezer supplied and installed. Does RCT apply?	The supply of a freezer (fridge) or cooker connected to a mains is not within the scope of RCT.
B10.26	Does RCT apply where existing green areas are being landscaped?	Landscaping is only a construction operation when it is carried out as part of rendering complete a construction project. Contracts for landscaping work entered into by boards of management where the landscaping is not part of an overall construction project are not within the RCT remit.
B10.27	Does RCT apply to skip hire?	The hire of a skip in the course of construction operations is liable to RCT. RCT does not apply to the hire of a skip to dispose of general refuse.
B10.28	Does RCT apply to the supply and fitting of a new fire extinguisher?	The supply of fire extinguishers is not a construction operation. Fire extinguishers are generally fittings rather than fixtures. Installation of fittings is not a construction operation.
B10.29	Architects Fees	These are professional fees and not subject to RCT. As a board of management is not a designated body they are also not subject to Professional Services Withholding Tax.
B10.30	Does RCT apply to replacing bulbs in an overhead projector?	Replacing bulbs would be treated as maintenance. If, however, the work was carried out under a general contract for maintenance and repair, all payments under such contracts come within the scope of RCT.