Income Tax 2017

INCOME TAX

Charge to tax

Individuals and non-corporate persons

Income tax is charged on income of individuals, unincorporated bodies (s 1044), trustees (s 1046) and personal representatives (s 799).

Income of partnerships and European Economic Interest Groupings is charged on the individual partners (s 1008) or grouping members (s 1014).

Tax year

Income tax is charged on income arising in a tax year. The tax year coincides with the calendar year, for example, the tax year 2017 runs from 1 January 2017 to 31 December 2017.

Residence

Resident individuals

If you are resident and domiciled in the Republic of Ireland (ROI), you are liable to Irish income tax on your total income from all sources, i.e., your worldwide income.

You are regarded as ROI resident if your ROI presence amounts to:

(a) 183 days or more in a tax year, or

(b) an aggregate of 280 days in the current and preceding tax year.

Presence of not more than 30 days in a tax year is ignored for the purposes of the 280-day test (s 819). You are present for a day if you are present at any time during the day.

You are regarded as ordinarily resident in the ROI for a tax year if you were resident in each of the three immediately preceding tax years. You cease to be ordinarily resident when you have become non-resident for the three immediately preceding tax years (s 820).

Non-domiciled individuals

If you are resident but non-ROI-domiciled (for example, a foreign national living in Ireland), you are only taxed on foreign income to the extent that it is remitted to Ireland (s 71). This “remittance basis” extends to UK source income (since 1 January 2008).

Non-Irish-resident individuals

If you are non-Irish-resident, you are taxed on Irish source income, i.e., income arising in the ROI.

If you are non-Irish-resident but ordinarily resident in the ROI, you are liable to Irish tax on foreign investment income in excess of €3,810 in the tax year. You are not liable in respect of income from an employment or trade carried on abroad (s 821).

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If you are a resident of a country that has a tax treaty with the ROI, you may be exempt, or due a credit, in relation to tax on Irish source income if that income is also taxed in the treaty country (see **Double Taxation**).

If you are an Irish citizen and Irish domiciled, but resident abroad, you may be liable to the **domicile levy** (€200,000 per annum) if:

(a) your world-wide income exceeds €1m,

(b) your Irish located property is worth more than €5m, and

(c) your Irish income tax liability is lower than €200,000.

Income tax rates

Individuals and married couples

A married person can opt to be assessed for tax purposes via:

(a) joint assessment on the husband (s 1017) or wife (s 1019), separate assessment (s 1023), or

(b) single assessment (s 1016).

A individual who is separated or divorced and not remarried, may by agreement with the ex-partner, opt for joint or separate assessment (s 1026).

The current tax rates are the standard rate (20%) and the higher rate (40%).

The 2017 standard rate bands are: **€33,800** in the case of an individual, **€37,800** in the case of a one parent family and **€42,800** in the case of a married couple (s 15(2)). In the case of a dual income married couple, the €42,800 rate band may be increased by the lower of:

(a) **€24,800**, and

(b) the income of the second spouse.

The maximum standard rate band a dual income married couple may have is **€67,600**. However, the maximum part of the standard rate band that may be transferred between the partners of a dual income married couple in a tax year is €42,800.

Unincorporated bodies and trustees

Income of an unincorporated body or trustee (including a personal representative of a deceased person's estate) is taxed at the standard rate (s 15(1), 799-802).

Undistributed income of an accumulatory trust is subject to a **20%** surcharge (s 805).

Exemptions

Exemption limits

An individual aged 65 or over with total income below **€18,000** is exempt. In the case of a married couple, one of whom is aged 65 or over, the threshold is **€36,000**.

If the claimant has dependent children, the exemption limit is increased by €575 for each of the first and second child, and €830 for the third child and each subsequent child.

Other exemptions

The other main exemptions from income tax are:

(a) Personal injury settlements (s 189), payments from the Haemophilia HIV Trust (s 190), Hepatitis C compensation (s 191), and payments in respect of thalidomide victims (s 192).

(b) Income of artists, writers and composers, subject to an overall annual limit of €50,000 (s 195).

(c) Interest on savings certificates (s 42) and instalment savings schemes (s 197).

(d) Income of recognised charities (s 207, 208).

(e) Income of amateur sports bodies (s 235).

(f) Rent from let farm land (s 664). A claimant must be aged 55 or over, or unable through physical or mental incapacity to carry on farming. Exemption is given for the lower of:

(i) the farm rental income surplus, or

(ii) €40,000 where the lease is for more than 14 years, €30,000 where the lease is for 10 to 14 years, €22,500 where the lease is for seven to 10 years, or €18,000 in any other case.

(g) Rent-a-room relief (s 216A). Income from lodgers is exempt provided your gross income from such letting does not exceed €14,000 in the tax year.

(h) Home childcare earnings of up to €15,000 in the tax year (s 216C).

(i) Earnings of special assignees (s 825C). 30% of income above €75,000 in the case of employees assigned from a tax treaty country to work in their employer's Irish operation.

(j) Start Your Own Business relief (s 472AA). Where a person previously long-term unemployed sets up a business, the first €40,000 of profits in a tax year are exempt. Expires 31.12.2018.

Schedules

Income is charged under four Schedules: Schedule C, Schedule D, Schedule E and Schedule F (s 12).

Schedule D

Schedule D is the heading under which business income is charged to tax. It has five Cases (s 18).

CASES I AND II

Case I charges the profits of a trade (s 2) and **Case II** charges the profits of a profession (s 3).

Employment grants are not regarded as trading income (s 223-226).

Legitimate business expenses are deductible, including:

(a) expenditure on trademarks (s 86), and know how (s 768),

(b) pre-trading expenditure (s 82), and pre-commencement staff training costs (s 769),

(c) the cost of establishing an approved savings-related share option scheme for employees (s 519B),

(d) a double deduction for wages paid to a previously unemployed person (s 88A).

Not deductible: private expenditure, capital expenditure (s 81), and entertainment expenditure (s 840).

Taxable profits are based on the profits of the accounts year ended in the tax year (s 65), with special rules for commencement (s 66) and cessation (s 67) years and short-lived businesses (s 68).

LAND-DEALING AND FARMING

Profits from dealing in land are charged under Case I as trading profits (s 640, 641). Capital profits realised by a landholder are charged under Case IV (s 643).

CASES III, IV, V

Case III charges untaxed interest and income from foreign property.

Case IV charges miscellaneous income not falling under any other heading.

Case V charges rental income. Legitimate property-related expenses, including interest (restricted as to 75% as regards residential property, but not for tenants whose rent is paid by a housing authority) are deductible (s 97). Premiums and disguised premiums are partly taxed as rental income (s 98-100), and are deductible rental (s 103) or business (s 102) expenses of the payer.

Profits under Case III-V for tax purposes are the actual profits arising in the tax year (s 70, 74, 75).

Schedule F

Schedule F is the heading under which dividend income is charged to tax (s 20).

Reliefs

Personal reliefs and tax credits

The personal reliefs and tax credits you can use to reduce your income tax liability are:

As a deduction when computing taxable income

No limit: Gifts to the Minister for Finance (s 483).

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€150,000: Employment and Investment Incentive Scheme (EIIS) (s 490).
€50,000: Film investment (ends 2014) (s 481).
€35,000: This is the maximum deduction available to employees working in Algeria, Bahrain, Brazil, Chile, China, Columbia, Congo, Egypt, Ghana, India, Indonesia, Japan, Kenya, Kuwait, Malaysia, Mexico, Nigeria, Oman, Pakistan, Qatar, Russia, Saudi Arabia, Senegal, Singapore, South Korea, South Africa, Tanzania, Thailand, United Arab Emirates, Vietnam. (s 823A). It is proportionate to the number of qualifying days spent working in those countries.
€75,000: Carer for incapacitated person (s 467).
€31,750: Expenditure on heritage buildings/gardens (s 482).
€6,350: Seafarer allowance (s 472B).
€3,810 with €1,270 increase for each child: Previously long-term unemployed person (s 472A). In the second tax year of employment, it is €2,540 with €850 increase for each child, and in the third tax year, €1,270 with €425 increase for each child.

As a tax credit against tax liability

No limit: Medical expenses (s 469).
€3,600: Widowed parent in the first year after bereavement; €3,150 (second year); €2,700 (third year); €2,250 (fourth year); €1,800 (fifth year).
€3,300: Incapacitated child (per child) (s 465).
€3,300: Married couple, or civil partners, basic personal tax credit (s 461).
€2,700: Health insurance premiums (s 470B), where the insured is aged 85+ on contract date or renewal date; €2,400 (aged 80 – 84); €2,025 (aged 75 – 79); €1,400 (aged 70 – 74); €975 (aged 65 – 69); €600 (aged 60 – 64);
€1,650: Basic personal tax credit (s 461).
€1,650: Single person child carer credit (s 462). Goes to the child’s primary carer.
€1,650: Blind person (s 468).
€1,650: Employee tax credit (s 472).
€3,300: Widowed person, or surviving civil partner (bereavement year) (s 461).
€3,000: College fees (Full-time course) (s 473A) (excess over).
€1,500: College fees (Part-time course) (s 473A) (excess over).
€1,270: Fisher tax credit (s 472BA).
€1,100: Home carer (s 466A).
€950: Earned income tax credit (s 472AB).

€640: Rent paid by individual aged 55 or over.
€640: Rent paid by married couple/widowed person, or civil partners aged under 55.
€540: Widowed person, or surviving civil partner (other years) (s 461A).
€490: Married couple, or civil partners one of whom is aged 65 or more (s 464).
€320: Rent paid by married couple/widowed, or civil partners, person aged 55 or over.
€254: Training course fees (s 476) (max).
€245: Individual aged 65 or more (s 464).
€70: Dependent relative (per relative) (s 466)
€40: Rent paid by individual aged under 55.

Other reliefs

The other main reliefs from income tax are:

(a) **Home loan interest** (s 244) Loans taken out after 31 December 2012 do not qualify unless approved before that date and drawn down in 2013.

Loans taken out between 2004 and 2008 continue to obtain relief, loans taken out between 2009 and 2012 are also relieved at 30%, but relief is abolished from 1 January 2018. During 2013 to 2017 inclusive, the interest ceiling for married couples and widowed individuals is €6,000, and for single persons it is €3,000, and the maximum rate at which relief will be given is 15% for first-time buyers and 10% for non-first time buyers.

(b) **Bridging loan interest** (s 245) and interest on money borrowed to invest in a company (s 248) or partnership (s 253) – but not a rental company.

(c) Compensation for change in work practices (disturbance money) (s 480).

(d) **Pension contributions**. The contribution limits, whether through an employer scheme (s 776) or Personal Retirement Savings Account (PRSA), or a self-employed retirement annuity scheme (s 787), are:

(i) aged under 30: **15%** of earnings,
(ii) aged 30-39: **20%** of earnings,
(iii) aged 40-49: **25%** of earnings,
(iv) aged 50-54: **30%** of earnings,
(v) aged 55-59: **35%** of earnings, and
(vi) aged 60 or more: **40%** of earnings.

This 40% limit also applies to a sportsman or sportswoman.

The overall annual earnings limit for pension contributions is **€115,000** (s 787B).

Unless you have a personal fund threshold (PFT), the standard fund threshold is **€2,000,000** and the maximum tax-free lump sum on retirement is €200,000.

(e) **Covenants**. To be tax effective, a covenant must be payable to:

(i) a human rights body, or to a recognised college to carry out research, and exceed, or be capable of exceeding three years, or

(ii) an individual who is aged 65 or over, or permanently physically or mentally handicapped, and exceed, or be capable of exceeding six years.

The maximum income that be tax-effectively covenanted is **5%**, but this limit does not apply to income covenanted to an individual who is permanently physically or mentally handicapped (s 792).

(f) **Stock relief (farmers)**. This is given at **25%** of the increase in stock value (s 666), 100% in the case of a young trained farmer (s 667), and 100% to the extent that proceeds of compulsory livestock disposals are reinvested in replacement livestock (s 668).

(g) **Home renovation incentive**. Provides an income tax credit of 13.5% of qualifying home improvement expenditure. It is paid over the two years following the year in which the work was carried out. The minimum qualifying expenditure is €5,000; the maximum is €30,000. Expires 31.12.2018 (s 477B).

(h) **Help to buy scheme.** Provides for an income tax rebate for "first time purchasers" (s 477C). To qualify, the property must be purchased or built as a principal private residence. The mortgage must be at least 70% of the purchase price, or for self-builds, 70% of the valuation approved by the mortgage provider.

From 19.07.2016-31.12.2016 the maximum relief is the lower of; €20,000 (purchase value between €400,000 and €600,000), income tax paid by the claimant for the 4 years immediately preceding the year of claim, or 5% of the house price (or self-build valuation).

From 01.01.2017-31.12.2019 , the same conditions apply but the valuation is between €400,000 and €500,000, with no relief granted on any property over €500,000.

Note: Cash buys do not qualify for the relief and you can not avail of the relief if you have previously bought, built or inherited a property, either individually or jointly with another party.

Capital allowances

In computing tax due on your business profits, you do not get any allowance for depreciation of business assets. Instead, you get a **capital allowance** over several chargeable periods until the cost of the asset has been fully allowed.

Capital allowances are computed exclusive of grants (s 317) and VAT (s 319).

Machinery or plant

Expenditure on **machinery or plant** used in your business is given an annual wear and tear allowance of **12.5%** (s 284). A similar allowance is given for expenditure on software (s 291).

If you dispose of an item of machinery or plant on which capital allowances were claimed, and the disposal results in an underclaim (or overclaim) of allowances, you may be due a balancing allowance (or subject to a balancing charge) (s 288).

Cars

A car (new or secondhand) costing over **€24,000** is given an annual **12.5%** wear and tear allowance as if the car's purchase price were €24,000 (s 373).

The capital allowances and leasing deductions of cars bought or leased since 1 July 2008 are based on the level of carbon emissions (see Benefit in Kind, above). Cars with emissions above 190g/km get no allowance (s 380K).

A taxi or short-term hire car is given an unrestricted write off of the purchase price at **40%** per annum on a reducing balance basis (s 286).

Restrictions

If you carry on a trade of leasing machinery or plant, you may only set off the related capital allowances against income from that trade. This is relaxed if not less than 90% of your activity consists of leasing (s 403).

Industrial buildings

If you purchase an **industrial building** for your business, you may be due:

(a) an industrial building annual allowance (also known as a writing down allowance) (s 272),

(b) an industrial building accelerated writing down allowance (also known as "free depreciation") (s 273), or

(c) an industrial building (initial) allowance (s 271).

If the disposal of an industrial building on which capital allowances were claimed results in an underclaim (or overclaim), a balancing allowance (or charge) may arise (s 274).

Industrial buildings annual allowance may be claimed at the following rates:

(a) **15%**, in respect of expenditure on:

(i) palliative care units (hospices),

(ii) private convalescent facilities,

(iii) private hospitals,

(iv) registered nursing homes,

(v) sports injury clinics,

(vi) airport-buildings specified expenditure.

(b) **10%**, in respect of expenditure on:

(i) buildings for intensive livestock production,

(ii) market gardening structures.

(c) **4%**, in respect of expenditure on:

(i) airport buildings, structures, runways, aprons,

(ii) camp/caravan site buildings and structures,

(iii) factories, mills, dock undertakings,

(iv) mineral analysis laboratories,

(v) hotels.

Unused accelerated allowances carried forward beyond the tax life of the building will be lost. However, if the tax life of the building ends before 31 December 2014, only capital allowances unused as at 31 December 2014 will be lost.

HIGH EARNERS' RESTRICTION

Where your income exceeds €125,000, the maximum reliefs and exemptions you can claim is the higher of:

(a) €80,000, and

(b) 20% of your total income.

An EIIS investment (s 490) is not subject to this restriction.

FARM BUILDINGS, STRUCTURES, MILK QUOTAS

If you are a farmer, expenditure on farm buildings may qualify for a farm building allowance of **15%** in each of the first six years and **10%** in the seventh year (s 658).

Expenditure on the purchase of a milk quota may be written off over a seven year period (s 669B).

Losses

A trading or professional loss can be offset against income from all sources (s 381). An unused trading or professional loss is automatically carried forward against such income for the next and later tax years (s 382).

A trading or professional loss can be increased by current capital allowances (s 392).

A loss in the final year of trade (a terminal loss) may be offset against the income of the three immediately preceding tax years (s 385-389).

A Case IV loss may be set against Case IV income and any unused balance may be carried forward against Case IV income of later tax years (s 384).

An Case V (rental) loss may be set against Case V income and any unused balance may be carried forward for offset against rental income of the next and later tax years (s 385).

Double taxation

Double taxation is the imposition of comparable taxes in two or more states on the same taxpayer in respect of the same subject matter and for identical purposes.

There are three basic methods of relieving double taxation on income:

(a) the tax paid in the foreign country may be deducted (as if it were a business expense) when calculating the income that is liable to Irish tax,

(b) the tax paid in the foreign country may be credited against the Irish tax payable on the same income, or

(c) the income arising in the foreign country may be exempted from Irish tax.

The Irish government has negotiated double tax treaties (s 826) with: Albania, Australia, Austria, Belgium, Bosnia and Herzegovina, Botswana, Bulgaria, Canada, Chile, China, Croatia, Cyprus, Czech Republic, Denmark, Egypt, Estonia, Ethiopia, Finland, France, Georgia, Germany, Greece, Hong Kong, Hungary, Iceland, India, Israel, Italy, Japan, South Korea, Latvia, Lithuania, Luxembourg, Macedonia, Malaysia, Malta, Mexico, Morocco, Kuwait, Netherlands, New Zealand, Norway, Pakistan, Poland, Portugal, Qatar, Romania, Russia, Serbia, Singapore, Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, Thailand, Turkey, United Arab Emirates, UK, Ukraine, USA, Uzbekistan, Vietnam, Zambia.

For full details, see http://www.revenue.ie/en/practitioner/law/tax-treaties.html.

Self assessment

Pay and file

If you are self-employed, or a company owner-director, you must (s 950):

(a) pay preliminary tax (s 952) on or before the preliminary tax date, i.e., **31 October** in the tax year (s 958(2)), and

(b) file an income tax return on or before the return filing date, i.e., **31 October** following the tax year to which the return relates (s 951).

Therefore, you must:

(a) pay the preliminary tax for the tax year 2016, and

(b) file the tax return for the tax year 2015, on or before the pay and file date, i.e. 31 October 2016.

Computational error

If you file your return and pay your tax before the return filing date, but a computational error results in an underpayment of tax of not more than 5% of the tax liability, the shortfall may be paid by the following 31 December provided it does not exceed the greater of:

(a) €3,175, or 5% of the tax payable for the year, whichever is lower, and

(b) €635.

Insufficient preliminary tax

Interest applies from the preliminary tax date if the preliminary tax payment amounts to less than:

(a) **90%** of the ultimate liability for the period,

(b) **100%** of the liability for the preceding period, or

(c) where tax is paid through direct debit instalments, **105%** of the liability for the pre-preceding period.

Revenue powers

Administration

The Revenue Commissioners are responsible for the administration of income tax, corporation tax and capital gains tax (s 849). Inspectors of taxes appointed by the Revenue are responsible for the local administration of the tax (s 852).

Anti-avoidance

An Irish resident individual who has power to enjoy income arising to a non-resident (e.g., an offshore company) may be assessed to tax on the income of that company (s 806).

Revenue may assess underpaid tax if in their opinion a tax avoidance transaction is wholly artificial (s 811).

Revenue may also potentially impose a 20% surcharge if they are successful in challenging a tax avoidance scheme. You may avoid such surcharge and interest by filing a protective notice (s 811A).

Information

A taxpayer must file a third party return of payments made to:

(a) a property management agent (s 888),

(b) a business person who pays fees to a self-employed service provider (s 889),

(c) a commission agent (s 890),

(d) a bank that pays interest without deduction of tax (s 891),

(e) a nominee shareholder (s 892),

(f) a UCITS intermediary (s 893).

An auditor who becomes aware that a relevant offence has been committed must report the offence to the Revenue if you do not rectify the offence within six months (s 1079).

Audit

A taxpayer must keep records that will enable him to make a true tax return. This means - a cash receipts book, a cheque payments book, a sales book, a purchases book, a register of assets and liabilities, and a record of asset acquisitions and disposals (s 886). Records may be stored electronically (s 887).

A Revenue inspector may inspect PAYE records (s 903), relevant contracts tax records (s 904), and general business records (s 905).

He may be accompanied by a member of An Garda Síochána (s 906).

He may require a financial institution to provide copies of bank statements (s 908).

He may require you to submit a statement of affairs (s 909).

He may check a third party return of information or payments made (s 899).

Revenue may take criminal proceedings against a taxpayer who deliberately and defiantly refuse to comply with tax laws by failing to pay tax or file returns (s 1078).

Collection

TAX

The Collector-General (s 851) may enforce collection of unpaid tax by:

(a) issuing a certificate to the appropriate sheriff or county registrar (s 962),

(b) suing for the tax as a civil debt in the District Court or Circuit (s 963) or High Court (s 966),

(c) taking bankruptcy proceedings against you (s 999),

(d) issuing an attachment notice to one of your debtors (s 1002),

(e) requiring payment of arrears before issuing a tax clearance certificate (s 1094, 1095).

Revenue may offset repayments between taxes (s 1006A) and appropriate tax payments as they see fit (s 1006B).

A court seizure order in respect of a Revenue debt takes priority over other debts (s 971). Unpaid relevant contracts tax and PAYE estimates (s 1000), and corporation tax (s 974), are preferential debts in company liquidation.

Tax may also be paid by donating a heritage item to a State-owned or State-funded gallery, library or museum (s 1003).

INTEREST

Interest on late tax (s 1080) accrues at the following rates for each day the tax remains unpaid:

(a) **0.0219%** in respect of the period 1 July 2009 to the date of payment,

(b) **0.0273%** in respect of the period 1 April 2005 – 30 June 2009,

(c) **0.0322%** in respect of the period 1 April 1998 – 31 March 2005,

(d) **0.041%** in respect of the period 1 August 1978 – 31 March 1998.

SURCHARGE

A **5%** surcharge, which may not exceed €12,695, applies where a return is filed late, but within two months of the return filing date.

A **10%** surcharge, which may not exceed €63,485, applies where a return is filed more than two months after the return filing date (s 1084).

Withholding taxes

DIVIDEND WITHHOLDING TAX

An ROI-resident company must deduct dividend withholding tax (DWT) at the standard rate from dividend payments and other profit distributions (s 172B).

DWT need not be deducted from distributions made to:

(a) an Irish resident company, a pension scheme, an employee share ownership trust, a collective investment undertaking, or a charity (s 172C),

(b) a person resident in a tax treaty country, an EU resident, or a quoted company (s 172D),

(c) a qualifying intermediary, provided the ultimate beneficiary is non-liable (s 172E).

DWT may be credited against the recipient's tax liability for the tax year in which the dividend is received (s 172J).

ANNUAL PAYMENTS

An annual payment (for example, a covenanted payment) is a payment that is pure income profit in the hands of the recipient. Where an annual payment is made:

(a) out of taxed income, the payer is chargeable to tax on the payment and is entitled to deduct tax at the standard rate (s 237),

(b) out of income not charged to tax, the recipient is chargeable and the payer <u>must</u> deduct tax at the standard rate from the payment (s 238).

DEPOSIT INTEREST RETENTION TAX

Financial institutions must deduct deposit interest retention tax (DIRT) at 41% from interest

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payable on deposits. This is so, even though the higher rate is now 39%.The rate of DIRT will be decreased by 2% each year for the next 4 years until it reaches 33% in 2020.

DIRT deducted from general deposit account interest satisfies income tax liability but must be included in the recipient's return of income (s 261).

DIRT does not apply to accounts held by pension funds (s 265) and charities (s 266), provided they have completed the appropriate declaration.

A person aged 65 or over, with income below €18,000 (individual) or €36,000 (married couple) may obtain a refund of DIRT (s 267).

Professional services withholding tax

An accountable person (a government department or State-funded body) must deduct professional services withholding tax (PSWT) at the standard rate from payments made for professional services (s 520) of:

(a) doctors, dentists, pharmacists, opticians and veterinary surgeons,

(b) architects, engineers, and quantity surveyors,

(c) accountants, auditors, and financial, economic, marketing, or business consultants,

(d) solicitors, barristers and other legal agents,

(e) geologists.

Relevant contracts tax

A main contractor must deduct relevant contracts withholding tax (RCT) at **35%** from payments made to unauthorised subcontractor who has been engaged to carry out a relevant contract, i.e., construction operations, forestry operations, or meat processing operations on behalf of the main contractor (s 530, 531).

RCT also applies to activities carried out on the Continental Shelf.

Penalties

A person who fails to file a return or provide information on request, is liable to a penalty of €950 (s 1052). Where a return is filed negligently, the penalty is €125 plus the difference between the correct liability and the tax paid (s 1053). Where a return is filed fraudulently, the penalty is €125 plus twice the difference between the correct liability and the tax paid (s 1054).

Revenue may not seek a civil penalty wishes unless a court has determined that the penalty is due. Revenue may enforce collection of a penalty confirmed by a court, as if it were tax. Revenue may not recover penalties from the estate of a deceased person unless that person agreed, or a court confirms that the penalties are due. Revenue practice in relation to taxgeared penalties is given effect in the legislation.

Appeals

A taxpayer aggrieved by an assessment to income tax or corporation tax may appeal within 30 days of the notice of assessment. The appeal may be settled before the appeal hearing by agreement between the inspector and the appellant or by withdrawal of the appeal (s 933).

The Appeal Commissioners must hear the evidence and order that the assessment be reduced, stand good, or be increased (s 934). They may summon and examine witnesses (s 939), and they may determine liability in cases of default (s 940).

The taxpayer may request that the appeal decision be reheard by a Circuit Court judge (s 942). If dissatisfied on a point of law, he may request the Appeal Commissioners to state a case for the opinion of the High Court (s 943).