



Tax and legal update

Issue 16 - December 2017

This issue:

- failure to file VAT return of trading details may result in increase in RCT rate applicable to sub-contractors and denial of tax clearance certificate;
- deadlines approaching for December year ends;
- summary of payment dates; and
- Christmas Companies Registration Office (CRO) filing deadlines.

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Failure to file VAT return of trading details may result in increase in Relevant Contracts Tax (RCT) rate applicable to sub-contractors and denial of tax clearance certificate

On an annual basis, Irish VAT registered businesses are obliged to file a Return of Trading Details (RTD) which is a summary of supplies of goods and services, imports and purchases giving rise to deductible input VAT at the various VAT rates. The return includes all Irish, intra-EU and overseas trade carried out by the Irish business.

To date, Revenue’s response to a failure to file such returns has been to delay refunds of tax, but was unlikely to have had any further impact. However, Revenue have confirmed that in 2018 they intend to increase the RCT rate applicable to sub-contractors who have not filed their RTD and they will also deny tax clearance in such cases.

Deadlines approaching for December year ends

As the year comes to a close, it is important for companies to reflect on their compliance obligations to ensure they are met, to avoid any unnecessary penalties or restrictions.

Consideration should be given in particular to the following deadlines in respect of the year ended 31 December 2016 and any claims or filings made as appropriate.

Claim/return	Deadline dates	Comments
Research and Development (R&D) tax credit claim for 2016	31 December 2017	An R&D claim must be made within 12 months of the year end in which the qualifying R&D expenditure is incurred
Section 291A intangible assets claim for expenditure incurred in 2016	31 December 2017	A Section 291A claim must be made within 12 months of the year in which the qualifying capital expenditure is incurred
Filing of iXBRL financial statements for 2016	23 December 2017	To avoid a late filing surcharge imposed by Revenue, iXBRL accounts should be filed on time

We have set out below a reminder on forthcoming deadlines for Capital Gains Tax (CGT), Local Property Tax (LPT) and the Home Renovation Incentive (HRI).

Capital Gains Tax (CGT)

The payment dates for CGT in respect of chargeable assets disposed of during tax year 2017 are as follows:

Disposal period	Payment date
1 January 2017 to 30 November 2017	15 December 2017
1 December 2017 to 31 December 2017	31 January 2018

Interest applies at 0.0219% per day, approximately 8% per annum, to CGT liabilities which are not paid by the due date.

Local Property Tax (LPT) 2018

If you were the 'liable person' for a residential property on 1 November 2017 you are required to pay LPT for 2018. In most cases 'liable person' means the owner of the property. If you are in the process of acquiring or disposing of a property you will be liable for 2017 LPT, if you were the legal owner on 1 November 2017.

Lump sum payments

If you paid 2017 LPT in a single lump sum, ie by single debit authority, debit card, credit card, cash, cheque, postal order or if you made regular payments by cash then you should have received correspondence from Revenue in relation to the payment arrangements for 2018 LPT. The correspondence should include the property ID, pin and the amount due for 2018. If you own more than one property the letter should include the total amount of LPT due for 2018 on all of your properties. The letter should also confirm whether your local authority has changed the LPT rate for 2018.

Action required:

- if you wish to avail of a phased payment option such as direct debit, deduction at source or regular cash payments through a payment service provider, you should confirm the payment method by 25 November 2017. If you have missed this deadline you need to confirm your new phased payment method as soon as possible;
- if you prefer to pay in full with a single payment by cash, cheque, postal order, credit card or debit

card, you can do so at any time before 5pm on 10 January 2018; and

- If you agree to pay in full by annual debit instruction or single debit authority by 10 January 2018, Revenue will not debit your account until 21 March 2018 unless you indicate an earlier date.

Summary of payment dates

The due date for 2018 LPT depends on the payment method selected. Your payment method can be checked by accessing the LPT record online.

Payment date	Payment method
5pm, 10 January 2018	Latest date for paying in full by cash, cheque, postal order, credit card or debit card.
January 2018	Phased payments by deduction at source and regular cash payments through a payment service provider to start in January.
15 January 2018	Monthly direct debit payments start and continue on 15 each month thereafter.
21 March 2018	Single debit authority payment deducted.

Home Renovation Incentive (HRI)

The Home Renovation Incentive (HRI) provides a tax credit for repair, renovation or improvement works carried out on a main home or rental property by qualifying contractors. The maximum credit is €4,050 (€30,000 @13.5%) per property. The credit for qualifying work carried out and paid for in 2017 will be granted in tax years 2018 and 2019, 50% in each year. The credit is not available if the qualifying contractor has not registered all qualifying expenditure on Revenue Online Service (ROS).

Christmas Companies Registration Office (CRO) filing deadlines

If your annual return filing deadline with the CRO falls between Friday 22 December and Tuesday 2 January, inclusive, all such filings will be deemed as being filed on time if submitted **before midnight on Tuesday 2 January 2018.**

Due to the disruption caused to services over the Christmas period, if you are considering incorporating a new company, change the name of an existing company or re-register as a different company type before the end of 2017, please note that we will need to be instructed now as the CRO filing deadlines to achieve same are fast approaching.

As the fast track restoration process is no longer available, if you are looking at restoring a dissolved company to the register in 2017, please note that this process may take up to seven working days for the CRO to process any such application.

We have featured the voluntary strike off process in previous issues, but now may be a good time to commence the process of closing down any non-trading companies you may have so that your annual recurring compliance costs for keeping such companies alive will cease.

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