

# Double Deduction

## Credit through the PAYE System for non-refundable foreign tax



Part A should be completed by an individual who:

- is tax resident in Ireland, and
- is employed by an Irish employer, under an Irish contract of employment, and
- exercises some of the duties of the employment outside the State in a DTA jurisdiction, and
- is liable to simultaneous deduction of Irish tax and non-refundable foreign tax at source from the same income.

### Part A - to be completed by employee

Employee name	
Employee address (include Eircode)	
Employee PPS Number	
Employer name	
Employer address (include Eircode)	
Employer registered number	
Year of claim	
Intended date of departure from the State	
Intended date of return to the State	
Expected work pattern during period of temporary assignment in the foreign jurisdiction (e.g. how many work days per week / month in the State and foreign jurisdiction)	
Are you tax resident in Ireland for the year of claim	Yes <input type="checkbox"/> No <input type="checkbox"/>
Foreign jurisdiction where some of the duties of your employment are exercised	
Estimated total income from all sources for year of claim (Euro)	
Estimated annual tax payable in Ireland for year of claim (Euro)	
Estimated income subject to tax in foreign jurisdiction for year of claim (i.e. doubly taxed income) (Euro)	
Estimated non-refundable foreign tax payable in foreign jurisdiction for the year of claim (Euro)	

I understand that a real time foreign tax credit is granted subject to the conditions outlined in Paragraph 2 of Tax and Duty Manual Part 42-04-62, including the requirement to deliver an Income Tax return for a year of claim.

Signature of claimant  Date

## Part B - for Revenue use only

(A)	Estimated total income from all sources for year of claim	
(B)	Estimated annual tax payable in Ireland for year of claim	
(C)	<b>Irish Effective Rate</b>	<b>(B / A) x 100%</b>
(D)	Estimated income subject to tax in foreign jurisdiction for year of claim (i.e. doubly taxed income)	
(E)	Estimated non-refundable foreign tax payable in foreign jurisdiction for the year of claim	
(F)	<b>Foreign effective rate</b>	<b>(E / D) X 100%</b>

### Compare Irish effective rate (C) and foreign effective rate (F).

<p>If the foreign effective rate (F) is lower than the Irish effective rate (C)</p> <p>A credit of the amount at (E) may be granted in the year of claim.</p>	<p>If the Irish effective rate (C) is lower than the foreign effective rate (F)</p> <p><b>Step 1 (revised foreign income)</b></p> $(D - E) / (100 - C)\% = G$ <p><b>Step 2 (foreign tax credit)</b></p> $G - (D - E) = H$ <p><b>Step 3 (reduction in foreign income expressed as a credit)</b></p> $(D - G) \times \text{marginal tax rate} = I$ <p>Credit of the aggregate of the amounts at Step 2 and Step 3 may be granted in the year of claim.</p> <p><b>Note</b></p> <p>The foreign tax credit as calculated at Step 2 above must not exceed the sum ascertained by multiplying the amount of the foreign income by the individuals IER.</p>
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## PART C (For Revenue use only for end of year calculation):

**Additional double taxation relief in respect USC where the Foreign Effective Rate is greater than the Irish Effective Rate.**

(J)	Available Foreign Tax remaining for USC	<b>E - (H + I)</b>
(K)	Amount of income liable to USC	
(L)	Amount of USC Payable for year of claim	
(M)	USC Effective Rate	<b>(L / K) x 100%</b>
(N)	USC attributable to foreign income	<b>D x M</b>
(O)	Additional double taxation relief due in respect of USC	<b>Compare amount at J v N Allow the lower amount</b>

**Note:** Additional USC relief is added to relief calculated in PART B of this form. Please forward completed applications to the National Non-Resident Unit, PAYE Services Dublin Central, Personal Division, 15 O'Connell Street Upper, Dublin 1, D01 R635.

The information in this document is provided as a guide only and is not professional advice, including legal advice. It should not be assumed that the guidance is comprehensive or that it provides a definitive answer in every case.

The Revenue Commissioners collect taxes and duties and implement customs controls. Revenue requires customers to provide certain personal data for these purposes and certain other statutory functions as assigned by the Oireachtas. Your personal data may be exchanged with other Government Departments and agencies in certain circumstances where this is provided for by law. Full details of Revenue's data protection policy setting out how we will use your personal data as well as information regarding your rights as a data subject are available on our **Privacy** page on [www.revenue.ie](http://www.revenue.ie). Details of this policy are also available in hard copy upon request.