

Example of how the penalty may be mitigated by making a qualifying disclosure

Tax Year	Undisclosed Income	Top Tax Rate Plus PRSI and Levies	Tax, PRSI and Levies Due	Due Date	Rate of Statutory Interest to 28/5/04	Statutory Interest Due	Rate of Penalty	Penalty Due	No mitigation of penalty is possible for periods ending on or before 5 April 1991 [Taxes Consolidation Act 1997, Section 1065 (2)(b)].	No qualifying disclosure - 100% penalty
	IR£		IR£			IR£		IR£		IR£
1987/88	119343	59%	70412.37	01-Oct-87	230%	161948.45	100%	70412.37		70412.37
1988/89	15748	59%	9291.17	01-Oct-88	215%	19976.03	100%	9291.17		9291.17
1989/90	16421	57%	9360.11	01-Oct-89	200%	18720.22	100%	9360.11		9360.11
1990/91	17039	54%	9200.87	01-Nov-90	184%	16929.60	100%	9200.87		9200.87
1991/92	17793	54.25%	9652.93	01-Nov-91	169%	16313.45	10%	965.29		9652.93
1992/93	18407	50.25%	9249.60	01-Nov-92	154%	14244.38	10%	924.96		9249.60
1993/94	19223	51.25%	9851.71	01-Nov-93	139%	13693.88	10%	985.17		9851.71
1994/95	19714	50.25%	9906.47	01-Nov-94	124%	12284.02	10%	990.65		9906.47
1995/96	20096	50.25%	10098.40	01-Nov-95	109%	11007.25	10%	1009.84		10098.40
1996/97	20693	50.25%	10398.29	01-Nov-96	94%	9774.39	10%	1039.83		10398.29
1997/98	21557	50.25%	10832.42	01-Nov-97	79%	8557.61	10%	1083.24		10832.42
1998/99	22375	48.25%	10796.04	01-Nov-98	66%	7125.39	10%	1079.60		10796.04
1999/00	23639	48%	11346.71	01-Nov-99	54%	6127.22	10%	1134.67		11346.71
2000/01	24927	46%	11466.54	01-Nov-00	42%	4815.95	10%	1146.65		11466.54
2001	19784	47%	9298.52	01-Nov-01	30%	2789.56	10%	929.85		9298.52
Total to 2001 (IR£)	396760		211162			324307		109554		211162.13
Total to 2001 (€)	503781.89		268120.63			411785.46		139105.26		268120.63
2002 (€)	28025	47%	13171.75	31-Oct-02	18%	2370.92	10%	1317.18		13171.75
Total to 2002 (€)	531806.89		281292.38			414156.38		140422.43		281292.38

In subsequent periods, penalty may be mitigated to 10% of tax, under the Code of Practice for Revenue Auditors (2002 edition), if the taxpayer co-operates, makes a valid qualifying disclosure by 29 March 2004, and pays full liability by 28 May 2004.

In this example the amount of undisclosed income is equal to the average industrial wage for the tax year in question. The figure for 1987/88 is the total average industrial wage from 1974 to 1987.

The liability in years up to 2001 has been calculated in Irish pounds. At that point the liability has been converted to Euro at the fixed rate of €1 = IR£0.787564. The liability for 2002 has been calculated in Euro and added to the total up to 2001 to give the total liability in Euro.

Settlement (tax, interest and penalty) with penalty mitigated to 10% of tax (post 5/4/91): 835871.19

Settlement (tax, interest and penalty) where no penalty mitigation applies: 976741.15

Failure to make a qualifying disclosure results in **additional Penalty of €140,870 PLUS Publication PLUS possibility of Prosecution.**