

Worked Example Number 2

Tax year ended 5 April 1997

One self-employed spouse, one PAYE spouse, offshore bank interest of IR£5,000 equally split between them.

Income		
Employments - show details per P60	Employments Self	
	Employments Spouse	10,000
	Self Employed	12,000
	Interest received	
	Rents received	
	Dividends	
Other Income - specify source of other income	Other income offshore bank interest of self-employed spouse	2,500
	Other income offshore bank interest of PAYE spouse	2,500
A	TOTAL INCOME	27,000

Allowances and Reliefs		
Personal Allowance Single IR£2,650 Married IR£5,300	Personal Allowance	5,300
	PAYE Allowance	800
PAYE Allowance IR£800 PRSI Allowance IR£140	Other allowance or relief	
	Other allowance or relief	
Other allowances and reliefs - specify allowance or relief	B	TOTAL ALLOWANCES AND RELIEFS
		6,100

Tax Paid, Tax Deducted and Tax Credits		
PAYE tax deducted per P60	Income Tax paid directly to Revenue	2,524.50
	PAYE tax deducted self	
Tax Credit per dividend voucher	PAYE tax deducted spouse	1,768.50
	Tax Credits	
C	TOTAL TAX Payments deductions credits	4,293.00

Tax Liability		
First IR£9,400 Single or IR£18,800 Married taxed at 27% Balance is taxed at 48%	Taxable Income is A minus B	20,900
	18,800 @ 27%	5,076
	2,100 @ 48%	1,008
D	TOTAL TAX	6,084

PRSI and Levies on Undisclosed Income		
Employment and Training Levy 1% Health Contribution 1.25%	PRSI 2,500 @ 5%	125
	LEVIES 5,000 @ 2.25%	112.50
E	TOTAL PRSI and Levies	237.50

Tax and PRSI/Levies due is D plus E minus C	F1	Total Tax and PRSI/Levies due	2,028.50
	F2	Interest 94% of F1 figure	1,906.79
	F3	Penalty 10% of F1 figure	202.85
	F4	Total F1 + F2 + F3	IR£4,138.14

* The self-employed spouse's total income is 12,000 + 2,500 = 14,500. This is under the upper income limit for PRSI in 1996/97. That spouse therefore pays PRSI at 5% as well as levies at 2.25% on all the offshore income. The PAYE spouse pays levies at 2.25% on the offshore income