

Form RR1

High-Income Individuals: Limitation on Use of Reliefs¹ 2009

Statement on use of Specified Reliefs and Estimates of Taxable Income and Income Tax Liability for tax year 2009



PPS Number

Remember to quote your PPS number
in all correspondence or when
calling at your Revenue office

**Office of the Revenue Commissioners,
Collector-General's Division,
PO Box 354,
Limerick.**

THIS FORM IS TO BE USED BY THOSE ASSESSED AS SINGLE PERSONS. IT SHOULD ALSO BE USED BY MARRIED COUPLES ELECTING FOR ASSESSMENT AS SINGLE PERSONS, AND BY MARRIED COUPLES ASSESSED UNDER JOINT ASSESSMENT OR SEPARATE ASSESSMENT WHERE THE LIMITATION APPLIES TO ONLY ONE SPOUSE OR WHERE THE LIMITATION APPLIES TO BOTH SPOUSES²

This statement should be completed and returned to the above address on or before 31 October 2010 together with your Form 11 Pay and File Income Tax Return for the year 2009.

It is important to note that irrespective of the completion and submission of Form RR1, Panel N of Form 11 2009 - Property Based Incentives On Which Relief Is Claimed In 2009 - must be completed as appropriate.

Civil Penalties/Criminal Prosecution - Tax law provides for both civil penalties and criminal sanctions for the failure to make a statement, the making of a false statement or facilitating the making of a false statement. In the event of a criminal prosecution, a person convicted on indictment of an offence may be liable to a fine not exceeding €126,970 and/or to a fine of up to double the difference between the declared tax due and the tax ultimately found to be due and/or to imprisonment.

YOU MUST SIGN THIS DECLARATION

I/We DECLARE that, to the best of my/our knowledge and belief, this form contains a correct statement in accordance with the provisions of the Taxes Consolidation Act 1997 (TCA 1997) of:

- (a) The amounts constituting the Aggregate of the Specified Reliefs,
- (b) The determination of those amounts,
- (c) The estimates required by Section 485FB(4) TCA 1997, and
- (d) All other matters required to be included on this form.

(Self)
Signature

Date
(DD / MM / YYYY)

(Spouse)
Signature

Date

Capacity of Signatory

□□□□□□□□

G. Determination of Aggregate of Specified Reliefs Used¹⁰ for 2009

Sch. 25B
Ref. No.

**Specified Relief
(Sections in TCA 1997)**

**Amount of Specified Relief
Used in 2009**

Self

Spouse

		Self	Spouse
1	Sec.140 - dividends and distributions out of income from:		
1.1	Stallion Fees <i>(which arose prior to 1 August 2008)</i>	□□,□□□□,□□□□-00	□□,□□□□,□□□□-00
1.2	Stud Greyhounds <i>(which arose prior to 1 August 2008)</i>	□□,□□□□,□□□□-00	□□,□□□□,□□□□-00
1.3	Woodlands	□□,□□□□,□□□□-00	□□,□□□□,□□□□-00
2	Sec. 141 - dividends and distributions out of exempt patent income	□□,□□□□,□□□□-00	□□,□□□□,□□□□-00
3	Sec. 142 - dividends and distributions out of income from certain mining operations	□□,□□□□,□□□□-00	□□,□□□□,□□□□-00
4	Sec. 143 - dividends and distributions out of income from certain mining operations	□□,□□□□,□□□□-00	□□,□□□□,□□□□-00
5	Sec. 195 - exempt income, profits or gains of artists, writers or composers from:		
5.1	Books or other writings	□□,□□□□,□□□□-00	□□,□□□□,□□□□-00
5.2	Plays	□□,□□□□,□□□□-00	□□,□□□□,□□□□-00
5.3	Musical compositions	□□,□□□□,□□□□-00	□□,□□□□,□□□□-00
5.4	Paintings and other like pictures	□□,□□□□,□□□□-00	□□,□□□□,□□□□-00
5.5	Sculptures	□□,□□□□,□□□□-00	□□,□□□□,□□□□-00
6	Sec. 231 - exempt profits or gains from stallion fees <i>(chargeable since 1 August 2008)</i>		
7	Sec. 232 - exempt profits from occupation of woodlands	□□,□□□□,□□□□-00	□□,□□□□,□□□□-00
8	Sec. 233 - exempt profits from stud greyhound service fees <i>(chargeable since 1 August 2008)</i>		
9	Sec. 234 - exempt income from patent royalties	□□,□□□□,□□□□-00	□□,□□□□,□□□□-00
10	Sec. 248 - relief for interest paid on loans used to acquire an interest in a company	□□,□□□□,□□□□-00	□□,□□□□,□□□□-00
11	Sec. 248 - relief for interest paid on loans used to acquire an interest in a company as extended by Sec. 250	□□,□□□□,□□□□-00	□□,□□□□,□□□□-00
12	Sec. 253 - relief for interest paid on loans used to acquire an interest in a partnership	□□,□□□□,□□□□-00	□□,□□□□,□□□□-00
13	Sec. 272 - writing-down allowances in respect of capital expenditure on:		
13.1	Hotels written-off at 15% rate (Sec. 268(1)(d))	□□,□□□□,□□□□-00	□□,□□□□,□□□□-00
13.2	Nursing Homes (Sec. 268(1)(g))	□□,□□□□,□□□□-00	□□,□□□□,□□□□-00
13.3	Residential Units attached to nursing homes written-off at either 10% or 15% rates (Sec. 268(1)(g) by virtue of Sec. 268(3B))	□□,□□□□,□□□□-00	□□,□□□□,□□□□-00

PPS Number

□□□□□□□□

Self

Spouse

21	Sec. 341 - Urban Renewal Scheme and Designated Streets Scheme: accelerated capital allowances in relation to construction or refurbishment of certain industrial buildings or structures	□□,□□□□,□□□□.00	□□,□□□□,□□□□.00
22	Sec. 342 - Urban Renewal Scheme and Designated Streets Scheme: capital allowances in relation to construction or refurbishment of certain commercial premises	□□,□□□□,□□□□.00	□□,□□□□,□□□□.00
23	Sec. 343 - Enterprise Areas: capital allowances in relation to construction or refurbishment of certain buildings or structures	□□,□□□□,□□□□.00	□□,□□□□,□□□□.00
24	Sec. 344 - Multi-Storey Car Parks: capital allowances in relation to construction or refurbishment	□□,□□□□,□□□□.00	□□,□□□□,□□□□.00
25	Sec. 345 - Urban Renewal Scheme, Enterprise Areas and Multi-Storey Car Parks: double rent allowance in respect of rent paid for certain business premises	□□,□□□□,□□□□.00	□□,□□□□,□□□□.00
26	Sec. 352 - Qualifying Resort Areas: accelerated capital allowances in relation to construction or refurbishment of certain industrial buildings or structures	□□,□□□□,□□□□.00	□□,□□□□,□□□□.00
27	Sec. 353 - Qualifying Resort Areas: capital allowances in relation to construction or refurbishment of certain commercial premises	□□,□□□□,□□□□.00	□□,□□□□,□□□□.00
28	Sec. 354 - Qualifying Resort Areas: double rent allowance in respect of rent paid for certain business premises	□□,□□□□,□□□□.00	□□,□□□□,□□□□.00
29	Sec. 372C - Qualifying Areas: accelerated capital allowances in relation to construction or refurbishment of certain industrial buildings or structures	□□,□□□□,□□□□.00	□□,□□□□,□□□□.00
30	Sec. 372D - Qualifying Areas and Living-Over-the-Shop Scheme: capital allowances in relation to construction or refurbishment of certain commercial premises	□□,□□□□,□□□□.00	□□,□□□□,□□□□.00
31	Sec. 372M - Qualifying Rural Areas: accelerated capital allowances in relation to construction or refurbishment of certain industrial buildings or structures	□□,□□□□,□□□□.00	□□,□□□□,□□□□.00
32	Sec. 372N - Qualifying Rural Areas: capital allowances in relation to construction or refurbishment of certain commercial premises	□□,□□□□,□□□□.00	□□,□□□□,□□□□.00
33	Sec. 372V - Park-and-Ride Facilities: capital allowances in relation to construction or refurbishment	□□,□□□□,□□□□.00	□□,□□□□,□□□□.00
34	Sec. 372W - Park-and-Ride Scheme: capital allowances in relation to construction or refurbishment of certain commercial premises	□□,□□□□,□□□□.00	□□,□□□□,□□□□.00
35	Sec. 372AC - Town Renewal Areas: accelerated capital allowances in relation to construction or refurbishment of certain industrial buildings or structures	□□,□□□□,□□□□.00	□□,□□□□,□□□□.00

Notes to Completion of Form RR1

¹The limitation on use of reliefs will apply to an individual for 2009 if:

- the individual's Adjusted Income for the year is equal to or greater than the Threshold Amount (normally €250,000 but less when there is ring-fenced income),
- the Aggregate of the Specified Reliefs used by the individual for the year is also equal to or greater than the Threshold Amount, and
- the Aggregate of the Specified Reliefs used by the individual exceeds one-half of the individual's Adjusted Income.

For these purposes, in the case of a married couple who are assessed jointly, each individual's liability to the limitation is to be determined separately.

²In the case of a married couple:

- assessed as single persons, where the limitation applies to both spouses, each spouse should use a separate form;
- assessed under joint assessment or separate assessment, where the limitation applies to both spouses, then both spouses should use the same form. If the limitation only applies to one spouse, then the spouse subject to the limitation should complete the form but Line A1 must show the joint taxable income of both spouses and Line A2 must show the respective taxable income of each spouse.

³Adjusted Income (as defined in Section 485C TCA 1997) is the amount determined by the formula: $(T + S) - R$.

T is the amount of an individual's taxable income for a tax year determined on the basis that Chapter 2A Part 15 TCA 1997, other than Section 485F, does not apply to the individual for the year and, in the case of a married couple assessed under joint assessment or separate assessment, determined on the basis that the taxable income of each spouse is determined separately in accordance with the provisions of Section 485FA TCA 1997.

S is the Aggregate of the Specified Reliefs used by the individual for the tax year (see Panel G).

R is the amount of an individual's ring-fenced income, if any, for a tax year (see Panel F).

⁴The amount to be included in this box is the joint taxable income of both spouses calculated on the basis that the limitation on use of reliefs does not apply to either spouse for the year 2009. However, any excess relief coming forward from 2008 should be taken into account in calculating this amount. Income which is not reckoned in computing total income should not be taken into account in calculating taxable income.

⁵In the case of jointly assessed couples, the provisions of Section 485FA TCA 1997 require that the taxable income of each spouse be determined separately. **NB:** The separate taxable income of **each** spouse must be inserted at Line A2 (and at Line 602 of Panel J of Form 11) even if the limitation applies to only one spouse. Income which is not reckoned in computing total income should not be taken into account in calculating taxable income.

⁶Schedule 25B to the TCA 1997 sets out rules for determining the amount of any Specified Relief used by an individual in a tax year. These rules are supplemented by the provisions of Section 485C(2)(b) TCA 1997 which, in the case of an exemption, requires the amount of the exempt income to be determined under the normal income tax rules for computing the amount of profits, gains or income to be charged to tax. In the case of a married couple, the Aggregate of the Specified Reliefs used by an individual should include the amount of any relief used by the individual which originated with his or her spouse but was not used by the spouse because of insufficient income etc.

⁷The Threshold Amount for 2009 is €250,000 where there is no ring-fenced income. Where there is ring-fenced income, use the formula in Line B2 to compute the Threshold Amount for 2009.

⁸Recalculated Taxable Income.

An individual's Recalculated Taxable Income is the amount given by the formula $T + (S - Y)$.

T is the amount of an individual's taxable income for a tax year determined on the basis that Chapter 2A Part 15 TCA 1997, other than Section 485F, does not apply to the individual for the year and, in the case of a married couple assessed under joint assessment or separate assessment, determined on the basis that the taxable income of each spouse is determined separately in accordance with the provisions of Section 485FA TCA 1997.

S is the Aggregate of the Specified Reliefs used by the individual for the tax year (see Panel G).

Y is the greater of the Threshold Amount and one-half of the Adjusted Income (see Panel C).

⁹Tax liability is calculated by applying the relevant tax rates and bands to the Recalculated Taxable Income figure and granting the tax credits which are due.

Where certain calculations in other provisions of the Tax Acts interact with the application of the limitation on the use of reliefs, subsections (4) and (5) of Section 485G TCA 1997 provide that such calculations must take place first. In the case of a relief or deduction, effect is to be given to it before the application of the limitation. However, the benefit of a credit or reduction in tax (as calculated before applying the limitation) can be given against the tax chargeable following the application of the limitation. Also, where an individual is subject to the limitation for a year, the exemption and marginal relief provisions in Section 188 TCA 1997 do not apply for that particular year.

¹⁰The reference to the Aggregate of Specified Reliefs Used for 2009 is, in the case of an allowance, deduction, repayment or other relief, a reference to that part of the overall amount of relief available to the individual for the year 2009 in respect of which effect has actually been given for that year and is, in the case of an exemption, the amount of exempt income arising to the individual for the year 2009 determined under the normal income tax rules for computing the amount of profits, gains or income to be charged to tax. In the case of a married couple, the Aggregate of the Specified Reliefs used by an individual should include the amount of any relief used by the individual which originated with his or her spouse but was not used by the spouse because of insufficient income etc.