

# Form RR1

## High-Income Individuals: Limitation on Use of Reliefs<sup>1</sup> 2008



### Statement on use of Specified Reliefs and Estimates of Taxable Income and Income Tax Liability for tax year 2008

#### PPS Number

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

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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, INCLUDING 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 SPOUSES<sup>2</sup>

**This statement should be completed and returned to the above address on or before 31 October 2009 together with your Form 11 Pay and File Income Tax Return for the year 2008.**

**It is important to note that irrespective of the completion and submission of Form RR1, Panel N of Form 11 2008 - Property Based Incentives On Which Relief Is Claimed In 2008 - must be completed as appropriate.**

**Penalties** - The law provides for penalties for failure to deliver this statement, or the delivery of a false statement, or helping to deliver a false statement. These penalties include fines up to €126,970, up to double the tax in question and/or 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.

Signature (Self)

Date

(DDMMYYYY)

Signature (Spouse)

Date

Capacity of Signatory

INT. VERSION 2008







PS Number

□□□□□□□□

Self

Spouse

13.4 **Convalescent Homes** (Sec. 268(1)(i))

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13.5 **Hospitals** (Sec. 268(1)(j))

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13.6 **Sports Injury Clinics** (Sec. 268(1)(k))

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13.7 **Mental Health Centres** (Sec. 268(1)(l))

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13.8 **Specialist Palliative Care Units** (Sec. 268(1)(m))

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13.9 **Holiday Camps written-off at 15% rate and Holiday Cottages** (Sec. 268(3))

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14 **Sec. 273** - acceleration of writing-down allowances in respect of certain expenditure on certain industrial buildings or structures

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15 **Sec. 274** - balancing allowances in respect of capital expenditure on:

15.1 **Hotels written-off at 15% rate** (Sec. 268(1)(d))

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15.2 **Nursing Homes** (Sec. 268(1)(g))

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15.3 **Residential Units attached to nursing homes written-off at either 10% or 15% rates** (Sec. 268(1)(g) by virtue of Sec. 268(3B))

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15.4 **Convalescent Homes** (Sec. 268(1)(i))

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15.5 **Hospitals** (Sec. 268(1)(j))

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15.6 **Sports Injury Clinics** (Sec. 268(1)(k))

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15.7 **Mental Health Centres** (Sec. 268(1)(l))

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15.8 **Specialist Palliative Care Units** (Sec. 268(1)(m))

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15.9 **Holiday Camps written-off at 15% rate and Holiday Cottages** (Sec. 268(3))

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15A **Sec. 304(4)** - income tax: allowances and charges in taxing a trade, etc.

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15B **Sec. 305(1)** - income tax: manner of granting, and effect of, allowances made by means of discharge or repayment of tax

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16 **Sec. 323 - Customs House Docks Area:** capital allowances in relation to the construction of certain commercial premises

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17 **Sec. 324 - Customs House Docks Area:** double rent allowance in respect of rent paid for certain business premises

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18 **Sec. 331 - Temple Bar Area:** accelerated capital allowances in relation to construction or refurbishment of certain industrial buildings or structures

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19 **Sec. 332 - Temple Bar Area:** capital allowances in relation to construction or refurbishment of certain commercial premises

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20 **Sec. 333 - Temple Bar Area:** double rent allowance in respect of rent paid for certain business premises

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

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36	<b>Sec. 372AD - Town Renewal Areas:</b> capital allowances in relation to construction or refurbishment of certain commercial premises	□□,□□□,□□□□ □.00	□□,□□□□,□□□□ □.00
36A	<b>Sec. 372AX - Mid-Shannon Corridor Tourism Infrastructure Investment Scheme:</b> accelerated capital allowances in relation to construction or refurbishment of certain registered holiday camps	□□,□□□□,□□□□ □.00	□□,□□□□,□□□□ □.00
36B	<b>Sec. 372AY - Mid-Shannon Corridor Tourism Infrastructure Investment Scheme:</b> capital allowances in relation to construction or refurbishment of certain tourism infrastructure facilities	□□,□□□□,□□□□ □.00	□□,□□□□,□□□□ □.00
37	<b>Sec. 372AP - relief for Lessors</b>	□□,□□□□,□□□□ □.00	□□,□□□□,□□□□ □.00
38	<b>Sec. 372AU(1) - saver for relief due, and for clawback of relief given, under old schemes</b>	□□,□□□□,□□□□ □.00	□□,□□□□,□□□□ □.00
39	<b>Sec. 381 - right to repayment of tax by reference to losses</b>	□□,□□□□,□□□□ □.00	□□,□□□□,□□□□ □.00
40	<b>Sec. 381 - right to repayment of tax by reference to losses as extended by Sec. 392</b> (option to treat capital allowances as creating or augmenting a loss)	□□,□□□□,□□□□ □.00	□□,□□□□,□□□□ □.00
41	<b>Sec. 382 - right to carry forward losses to future years</b>	□□,□□□□,□□□□ □.00	□□,□□□□,□□□□ □.00
42	<b>Sec. 383 - relief under Case IV for losses</b>	□□,□□□□,□□□□ □.00	□□,□□□□,□□□□ □.00
43	<b>Sec. 384 - relief under Case V for losses</b>	□□,□□□□,□□□□ □.00	□□,□□□□,□□□□ □.00
44	<b>Sec. 385 - terminal loss</b>	□□,□□□□,□□□□ □.00	□□,□□□□,□□□□ □.00
45	<b>Sec. 481 - relief for investment in films</b>	□□,□□□□,□□□□ □.00	□□,□□□□,□□□□ □.00
46	<b>Sec. 482 - relief for expenditure on significant buildings and gardens</b>	□□,□□□□,□□□□ □.00	□□,□□□□,□□□□ □.00
47	<b>Sec. 485F - carry-forward of excess relief</b> (transfer this amount to your 2008 Form 11 Pay and File Income Tax Return at Panel J, Line 601)	□□,□□□□,□□□□ □.00	□□,□□□□,□□□□ □.00
48	<b>Sec. 489(3) - BES relief</b>	□□,□□□□,□□□□ □.00	□□,□□□□,□□□□ □.00
49	<b>Sec. 843 - capital allowances for buildings used for third level educational purposes</b>	□□,□□□□,□□□□ □.00	□□,□□□□,□□□□ □.00
50	<b>Sec. 843A - capital allowances for buildings used for certain child-care purposes</b>	□□,□□□□,□□□□ □.00	□□,□□□□,□□□□ □.00
51	<b>Sec. 847A - donations to certain sports bodies</b>	□□,□□□□,□□□□ □.00	□□,□□□□,□□□□ □.00
52	<b>Sec. 848A - donations to approved bodies</b>	□□,□□□□,□□□□ □.00	□□,□□□□,□□□□ □.00
53	<b>Para. 11 of Sch. 32 - Urban Renewal Scheme, 1986:</b> capital allowances in relation to certain commercial premises in designated areas other than the Customs House Docks Area	□□,□□□□,□□□□ □.00	□□,□□□□,□□□□ □.00
54	<b>Para. 13 of Sch. 32 - Urban Renewal Scheme, 1986:</b> double rent allowance in relation to certain premises in designated areas other than the Customs House Docks Area	□□,□□□□,□□□□ □.00	□□,□□□□,□□□□ □.00
Totals	<b>Transfer to Panel A Line A3 of this form</b>	□□,□□□□,□□□□ □.00	□□,□□□□,□□□□ □.00

# Notes to Completion of Form RR1

<sup>1</sup>The limitation on use of reliefs will apply to an individual if the individual's Adjusted Income for the year 2008 is equal to or greater than the Threshold Amount (normally €250,000) and the aggregate of the Specified Reliefs used by the individual for that year is also equal to or greater than the Threshold Amount. However, the limitation will **not** apply where the Specified Reliefs used do not exceed one-half of the individual's Adjusted Income. For these purposes, in the case of married couples who are assessed jointly, each individual's taxable income is to be determined separately in accordance with Section 485FA TCA 1997.

<sup>2</sup>In 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.

<sup>3</sup>Adjusted 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**).

<sup>4</sup>The 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 2008. However, any excess relief coming forward from 2007 should be taken into account in calculating the taxable income of each spouse. **Income from Residential Development Land** that is taxed at 20% or other income which is not reckoned in computing total income should not be included in taxable income.

<sup>5</sup>In the case of jointly assessed couples, the provisions of Section 485FA TCA 1997 require that the taxable income of each spouse be determined separately. **Income from Residential Development Land** that is taxed at 20% or other income which is not reckoned in computing total income should not be included in taxable income.

<sup>6</sup>This amount should be equal to or greater than the Threshold Amount (normally €250,000). If not, then the limitation measure will not apply. Each amount of relief subject to the limitation is to be entered at the appropriate entry at **Panel G**. Schedule 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.

<sup>7</sup>The Threshold Amount for 2008 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 2008.

<sup>8</sup>Recalculated 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**).

<sup>9</sup>Tax 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 Sections 187 and 188 TCA 1997 do not apply for that particular year.

<sup>10</sup>The reference to the Aggregate of Specified Reliefs Used for 2008 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 2008 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 2008 determined under the normal income tax rules for computing the amount of profits, gains or income to be charged to tax.