

Mandatory E-Filing of certain 2010 Income Tax Returns and Payments after 1 June 2011

IMPORTANT NOTICE

Please note Revenue has introduced important changes regarding how you file your 2010 Income Tax Return.

From 1 June 2011, if any of the following circumstances apply, you will have to file your 2010 Form 11 and pay any tax due electronically through the Revenue on-Line Service (ROS).

An individual:

- who is subject to the **High-Earner's Restriction**, (Form RR1), (see Panel J of the accompanying Helpsheets),
- who benefited from or acquired **Foreign Life Policies, Offshore Funds** or **Other Offshore Products**;
- claiming one or more of the specified **Property Incentive Reliefs** (listed at Panel O of your 2010 Form 11).

If any of these categories apply, you must file **ALL** your tax returns electronically, including Form 11, Form RR1 or Form 46G as applicable with effect from 1 June 2011.

Please see overleaf for information on the benefits of using ROS and the three-step registration process that will enable you to file your return of income electronically.

ROS is fast, efficient and secure and even if you do not fall into the category of individuals who must file their Income Tax return electronically, you can still avail of the ROS facility to file your return and pay your tax.

What is the Revenue On-Line Service (ROS)?

ROS is the method by which Revenue is delivering its interactive customer services electronically to the customer.

This service is an internet facility which provides customers with a quick and secure facility to file tax returns, pay tax liabilities and access their tax details. The main features of ROS include facilities to:

- File returns online,
- Make payments online,
- Obtain online details of personal/clients Revenue Accounts,
- Calculate tax liability.

For more information contact the ROS Helpdesk at **1890 201 106** or email roshelp@revenue.ie.

Registering for ROS

When should I register for ROS?

You should allow 8 working days approximately to complete the registration process so that you can log on to ROS successfully to pay and file before the filing due date.

How do I register for ROS?

Click on the **Register for ROS** link on the Revenue home page - www.revenue.ie.

There are three steps to becoming a ROS customer. All three steps must be completed before you can access ROS.

Step 1: Apply for your ROS Access Number (RAN)

This is the first step in applying to become a ROS customer. Your RAN will be sent out by post to your home address.

Step 2: Apply for your Digital Certificate

You can only complete this step when you have received your RAN by post. Enter the RAN number and complete all relevant sections. A ROS System password will be posted by land-mail.

Step 3: Retrieve your Digital Certificate and view your account.

Using your ROS System password you can retrieve and download your ROS Digital Certificate. You name the certificate and allocate a password to the digicert.

Once you have retrieved your ROS digicert you can access ROS to file your return, pay your tax and view your account.

Is there an electronic version of the Form 11E?

No. The Form 11E is a paper form only. Individuals filing their tax return through ROS do so by using the Form 11.

2010 Tax Return - Helpsheet - Form 11

Enclosed is your Form 11 Pay and File Income Tax Return for 2010.

The notes in this Helpsheet should assist you in completing your Return. If you require more detailed notes there is the more comprehensive, "Guide to Completing 2010 Pay & File Returns", available on Revenue's website www.revenue.ie, from Revenue's Forms and Leaflets Service at LoCall 1890 306 706 (ROI only), (00353 1 702 30 50) or from any Revenue office. The Return is divided into different categories of income, tax credits, reliefs, etc. If you have no entries to make under a particular category, leave it blank and just skip to the next one and so on. **However, the Personal Details Panel on page 2 of the Return must always be completed.** Your attention is brought in particular to Panel O on the Return which requests details in respect of any claim you may have for relief on property based tax incentive schemes (e.g. "S. 23 Relief"). If you are claiming any such relief you must give the details required on page 22 of the Return.

If you have a Form 11E (the shorter version of the Form 11) you should use the separate Form 11E Helpsheet proper to that form.

Pay and File

Under Pay and File you must file your 2010 Tax Return and pay your liabilities on or before 31 October 2011 (due date). On that date you must also pay any balance of Income Tax due for 2010. It is your responsibility to calculate your own tax liabilities. If you file your Return on or before 31 August 2011, Revenue will if you wish, calculate your tax liability for you. This will assist you in paying the correct amount by the due date, 31 October. If you file after 31 August we cannot guarantee to provide you with a notice of assessment before 31 October and you may have to do your own calculations.

Where your return is submitted after 31 October 2011 a **surcharge** (5% where the return is submitted within two months, otherwise 10%) will be added to your tax liability.

Revenue On-Line Service (ROS)

As an alternative to completing the paper Return, why not file your Return electronically through the **Revenue On-Line Service (ROS)**. ROS will provide you with an instant calculation of your tax liability, letting you know how much to pay on 31 October 2011. You can access ROS through Revenue's website www.revenue.ie

Attachments and Business Accounts

You should not submit any supporting documentation with your Return except where expressly asked to do so; for example where you have a genuine doubt about any item in the return you should note Line 22 on page 3 of the Return and enclose a covering letter setting out the point at issue. Supporting documentation, including business accounts, must however be **retained for six years** as it may be requested by Revenue for the purpose of an assurance check or an audit.

Remember:

- You must prepare business accounts but you should not submit them with your 2010 Return. Instead you are required to complete pages 6 and 7 of the Return,
- Do not submit lists or schedules with the Return. The totals should be entered on the Return,
- Do not enter terms such as 'per attached', 'as before', etc. You must instead enter the requested information.

Incomplete Returns will be sent back to you for proper completion and you may incur a surcharge if the corrected Return is submitted late.

Married Couples

Married couples are obliged to submit only one income tax Return showing the income and capital gains, gifts and inheritances, etc. of both spouses unless they have made a formal election to have their tax affairs dealt with separately.

Sign and Date the Return Form

Before submitting your Return, be sure to sign and date the Declaration on the front page of the Return. If you are filing the Return as an executor, guardian or administrator, or as an authorised agent, state the capacity in which you are signing the Return and for whom you are acting.

The following short notes will assist you in completing the various Panels on the Return. If you require more detailed notes you should refer to the more comprehensive "Guide to Completing 2010 Pay & File Returns".

The alphabetical references below correspond with the relevant Panels on the Return while the numerical references on the left correspond with the line numbers on the Return.

Legislative references relate to Sections of the Taxes Consolidation Act 1997, unless otherwise stated.

A - Personal Details [1 - 22]

- 1 If you are completing this Return on behalf of a deceased individual enter the date of death. Revenue will contact you regarding any outstanding matters. When signing the Return on page 1, remember to state your capacity as signatory.
- 2 This question must be completed in all cases.
- 3 This section should be completed **only** where your marital status at Line 2 changed during 2010.
- 4 Complete Line 7 if you were married before 1/1/2010.
- 7 & 9 It is important that you complete 'Date of Birth' boxes as certain age related exemptions, reliefs and allowances such as RACs, PRSAs and certain tax credits such as Age tax credit, may be due.
- 8 This question must be completed in all cases. Please complete the Yes or No box for you and, if applicable, for your spouse. See Panel J, page 4, and the Guidance Document on the High-Income Individuals' Restriction on www.revenue.ie for more information.
- 9 If married, enter your spouse's PPS Number and Date of Birth. If your spouse has no PPS Number enter your spouse's pre-marriage Surname, First name(s) and Date of Birth.
- 10 "Permanently Incapacitated" means incapacitated by reason of mental or physical infirmity from maintaining oneself.
- 12 Individuals issued with a 'full' Medical Card by the, Health Service Executive (HSE) are exempt from the Health Contribution. Individuals issued with 'doctor only' Medical Cards (GP visit cards) by the HSE are liable for the Health Contribution.
- 16-21 If you have any doubt about particular entries to be made in any section you should obtain a copy of the more comprehensive *Guide to Completing 2010 Pay and File Returns* referred to on page 1 of this Helpsheets.

B - Income from Trades, Professions or Vocations [101 - 153]

- The Return caters for three trades. If between you and your spouse you have more than three trades, enter the main trades at Primary Trade and Trade 2 and aggregate the remainder of the trades at Trade 3. If you are completing the Trade 3 column, state the number of trades for which information is being included at Line 101 on page 5 of the Return.
- 104-105 This is the amount on which you are assessed for tax. You are assessable on the adjusted net profit for the accounting period ending in the year 2010 - e.g. if accounts are normally prepared for a period ending on 30 June, then the assessable profits for 2010 will be the profits of the year ended 30 June 2010. You must enter the assessable amount at Line 105(a) even if this is the same as the adjusted net profit per Line 104(a): in some circumstances the amount at Line 105(a) may be different to the amount entered at Line 104(a) (for example at commencement or cessation of trade).
- If a loss is made, the amount of the adjusted net loss should be entered at Line 104(b) and 0.00 entered at Line 105(a).
- 114 This line refers to the taxation of EU Restructuring Aid for **sugar beet growers**. By **making this election** you will have the aggregate of all 'relevant payments' received and chargeable in 2010 treated as arising in six equal instalments, chargeable in the year of assessment 2010 and the five succeeding years. This election is available to all farmers, both full-time and part-time, whether they are on the present three year income averaging system or not. This election cannot be changed and is irreversible.
- 116 **Review of Income Tax Year 2009:** Complete this section if you have changed your accounting date or ceased to trade in 2010 and a review of 2009 is required. In both cases the profits of 2009 must be reviewed by you. In either event, if the revised profits are greater than those originally assessed then that assessment must be amended.
- 117 **Professional Services Withholding Tax:** If your accounting period ends on a date other than 31 December, credit for withholding tax is given by reference to the withholding tax deducted during the accounting period (i.e. the basis period for 2010). Do not include Relevant Contracts Tax or any other type of taxes at Line 117.
- 118-153 **Extracts From Accounts:** Do not attach your self-employed business accounts but instead complete the *Extracts From Accounts* on pages 6 and 7. It is important to note that the *Extracts From Accounts* pages are not a tax adjustment computation/calculation. When completing these *Extracts* you may have nothing to enter under some headings, as the section may not apply to you. You must, however, complete each section that is relevant and for which you have an entry in your accounts.
- The *Extract From Accounts* pages must be completed by all sole traders, irrespective of turnover.

C - Irish Rental Income [201 - 211]

- 201-211 Where there is more than one let property, separate computations of rental income for each property should be prepared and retained by you. Do not include income exempt under the Rent-a-Room scheme, entered at Line 413(a). Where a claw-back of 'Section 23' Relief arises, the claw-back will be the full 'Section 23' Relief granted and should be included as 'Gross Rent Receivable' at Line 205.
- 202 & 206(b) Entitlement to a deduction for interest paid on borrowed money employed in the purchase, improvement, or repair of a rented residential property is conditional on compliance with the registration requirements of the Residential Tenancies Act 2004 in respect of all tenancies that existed in relation to that property in 2010. Any queries on the registration requirements/process should be addressed to the Private Residential Tenancies Board, www.prtb.ie or telephone + 353 1 635 0600.
- 209 S. 409A restriction, limits unused Capital Allowances for offset to €31,750 in certain cases - see *Guide to Completing 2010 Pay and File Returns* for further information.

D - Income from Irish Employments, Offices (including Directorships), Pensions, etc. Income from Foreign Offices or Employments Attributable to the Duties of those Offices and Employments Exercised in the State [212 - 236]

- 215 Public Sector employment here is confined to members of the Oireachtas, Judiciary, etc.
- 218 Un-reimbursed expenses incurred wholly, exclusively and necessarily in the performance of the duties of an office/employment may be entered at Line 218(b). AVC payment(s) made to an occupational pension scheme but not through a net pay arrangement should be included at Line 218(c).
- 219 Most taxable benefits are now taxed at source; however, taxable benefits received as payments to PRSAs and Shares received free of charge or at a discounted price are not and, as such, should be entered in your return.
- 220 Enter the taxable amount received in the year 2010, after relevant exemptions, of payments such as Illness Benefit, Occupational Injury Benefit, Jobseekers Benefits, etc.
- 229 **Income Levy - Gross Income from Employment/Pension**
Gross amount of all employment and occupational pension income, before any deduction for superannuation, other pension contributions or permanent health benefit. This is the *Gross Income for Income Levy* as returned in the Income Levy Certificate(s) 2010. Enter the full amount for the year. **Note:** Income Levy rates have changed from last year. More information on the Income Levy is available at www.revenue.ie, from your Revenue office or the *Guide to Completing 2010 Pay & File Returns* referred to on page 1.
- 230 Amount of Income Levy deducted - Enter the full amount for the year.
- 231 **PAYE Tax deducted/refunded:**
(a) Enter the total of tax deducted under PAYE as noted on Form(s) P60 and/or Form(s) P45. Include amount of tax deducted from distributions received from an Approved Retirement Fund, Approved Minimum Retirement Fund & PRSA.
Note: In respect of Proprietary Directorships, only tax remitted to Revenue should be entered here.
(b) Enter the total amount of PAYE tax refunded by Revenue, if any, for 2010, e.g. PAYE tax refunded on submission of Form Med 1, a refund in respect of an unemployment repayment claim/qualifying Tuition Fees, etc.
(c) Enter the amount of tax underpaid in a previous year(s), if any, and coded for collection by reducing your tax credits during the year 2010.

E - Foreign Income [301 - 320]

If you have any doubt about particular entries to be made in any section you should obtain a copy of the more comprehensive *Guide to Completing 2010 Pay and File Returns* referred to on page 1 of this Helpsheets.

F - Income From Fees, Covenants, Distributions, etc. [401 - 409]

- 401 Incomes from employments and/or directorships should not be entered at Line 401, but in Panel D.
- 403(b) **Special Share Account(s)/Special Term Share Account(s)/Special Savings Account(s):** Do not enter any amount here **unless** you or your spouse are entitled to claim a refund of DIRT. If the account is a Special Term Share Account, only enter the amount, at Line 403(b), which has been subjected to DIRT, i.e. the amount **after** the relevant exemptions.
- 404 Include scrip dividends received from quoted resident companies.
- 409 **Income From Sources Not Shown Elsewhere:**
Enter the relevant details of income received from whatever source for which specific provision is not made elsewhere in the Return and state the amount of tax deducted, if any. For example, include details of sums regarded as income under the "transfer of assets" provisions (S. 806) and any scrip dividends received from unquoted resident companies.

G - Exempt Income [410 - 415]

- 413(a) Where you are availing of Rent-a-Room Relief state the gross Rental Income received in 2010 for room(s) in a "Qualifying Residence".
- 414 Subject to certain conditions, where the gross income (before expenses) for 2010 from the provision of Childcare Services does not exceed €15,000, the income is exempt from tax. The care must be provided in the carer's home and for no more than three children at any one time. The carer must retain evidence that she/he has notified the appropriate person, recognised for that purpose by the Health Service Executive (HSE), that she/he is providing these services. The election for exemption for 2010 must be made on or before the 31 October 2011.

H - Annual Payments, Charges and Interest Paid [501 - 512]

- 503 Maintenance payments here refers to payments made by a separated/divorced person for the benefit of a spouse under a legally enforceable arrangement, i.e. Deed of Separation/Rule of Court, etc.
- 504 Unrestricted Tax relief can be claimed on covenants in favour of permanently incapacitated adults. Tax relief can be claimed on covenants in favour of adults aged 65 or over subject to a 5% restriction, (i.e. the amount of tax relief available on one or more covenants cannot exceed 5% of the convenantor's total income).
- 506 "Non-pensionable earnings" means earnings arising from a trade or profession or from a non-pensionable employment where the individual is not included for benefits under an approved occupational pension scheme.
- 509 If, in 2010, you and /or your spouse ceased permanently to be engaged in a "specific occupation" or to carry on a "specified profession" as listed in Schedule 23A and you wish to claim relief under S. 480A insert x in the relevant box and give the information requested. If you are claiming relief for prior years in respect of Relief for Certain Sportspersons you should submit full details separately to your Revenue office.

- 510 Tax relief for interest paid on a loan secured on an individual's main residence is given at source by the bank, building society, etc. **You should not include this relief, known as Tax Relief at Source (TRS), in this Return.** However, for other main residence loans (if any) which are not secured on the property ('unsecured loans') you can claim tax relief here, subject to certain restrictions and upper limits. You will need to check these restrictions and upper limits (www.revenue.ie - Mortgage Interest Relief (Tax Relief at Source) - CG13 or *Guide to Completing Pay & File Tax Returns*) and only enter the amount of relief to which you are allowed (i.e. "relievable interest paid"). All such loans, whether paid under TRS or otherwise, must be used for the purchase, repair, development or improvement of your main residence.
- 511 Interest on certain loans applied in acquiring an interest in or lending to an unquoted company which is a trading or rental company or an unquoted holding company whose business consists of the holding of shares of such a company can qualify for tax relief.

I - Claim for Tax Credits, Allowances, Reliefs and Health Expenses [513 - 547]

- 513 Home Carer tax credit is a max of €900. This amount is reduced by one half of the amount of home carer's income that exceeds €5,080. Accordingly no credit is due if the home carer's income exceeds €6,880. If the tax credit was granted in 2009 and in 2010 the home carer's income exceeds the €6,880 threshold, relief may still be due.
- 514 A PAYE tax credit may be claimed by employees and non-proprietary directors who pay tax under the PAYE system. In addition, individuals in receipt of an Irish social welfare pension, a social security pension received from another EU Member State by an Irish resident, and, Irish residents who work abroad and pay tax under a PAYE type system, qualify for the PAYE tax credit.
- 516 No relief is due where the relative's income exceeded €13,837 in 2010 or if another person is claiming this tax credit in full.
- 517 If you, your spouse or a relative were permanently incapacitated by reason of mental or physical infirmity and you employed a carer, state the amount paid for employing this carer in 2010.
- 518 Where your employer **does not** deduct the Permanent Health Benefit contributions from gross pay at source enter the amount paid in 2010 to claim relief. **Do not include amounts proper to Health/Medical Insurance premiums.**
- 521 Qualifying Tuition Fees paid in the 2010 academic year to Approved Colleges for Approved Courses or Approved Training Courses. The 2010 academic year is the year of study commencing on or after 1 August 2010. **Do not include registration or exam fees.**
- 525 **Medical Insurance Premiums paid by your employer, on your behalf** - As Tax Relief at Source (TRS) will not have been applied to these premiums enter the gross amount paid in 2010 to an authorised insurer. **Do not include** any amounts of Medical Insurance **premiums paid by you and/or your spouse.**
- 530 Enter the amount of Seafarer Allowance being claimed bearing in mind the maximum amount allowable is €6,350 and is dependent on you being at sea for at least 161 days in 2010.
- 531 Enter the details requested if you are claiming a Rent Tax Credit in respect of rent paid for private rented accommodation.
- 533-535 Only complete these lines where, in 2010, the donor was a chargeable person (S. 950).
- 542-547 Examples of 'Other' Qualifying Health Expenses are - Services of a Practitioner, Un-reimbursed Prescribed Drugs/Medicines, qualifying Dental Expenses (per Form Med 2), health care in respect of a pregnancy, eye laser treatment, etc.
Note: that if you are claiming Health Expenses, a Form Med 1 should be completed and **retained** by you.
- 537-540 & 543-546 Deduct sums received/receivable, such as amounts reclaimed from your local Health Office in relation to Prescribed Drugs/Medicines, under a health insurance policy from an authorised medical insurer and/or under the terms of a compensation claim, etc.

J - High-Income Individuals: Limitation on use of Reliefs [601 - 603]

The High-Income Individuals' Restriction applies to an individual for 2010 where the answer to each of the following three questions is YES:

Is your adjusted income equal to or greater than the Income Threshold Amount? (normally €125,000 but can be less where ring-fenced income (e.g. deposit interest) is involved.)

Is the aggregate of the specified reliefs used by you for the year equal to or greater than the Relief Threshold Amount of €80,000?

Does the aggregate of the specified reliefs used by you exceed 20 per cent of your adjusted income for the year?

Adjusted income is calculated by adding the amount of specified reliefs used by you for the year to your taxable income and then deducting any ring-fenced income. If the restriction applies to you (or your spouse), this Panel and a Form RR1 should be completed. Please refer to the Guidance Document on the High-Income Individuals' Restriction on www.revenue.ie for further information.

L – CAPITAL ACQUISITIONS in 2010

If you received a gift or an inheritance in 2010, insert x in the box.

M - CAPITAL GAINS - Capital Gains for the year 1 January 2010 - 31 December 2010 [801 - 816]

If you disposed of chargeable assets during 2010 give the required details in Panel M. Notwithstanding that the Capital Gains Tax due on gains made on these disposals should already have been paid, you must complete this section of the Return. You may need to refer to the more comprehensive *Guide to Completing 2010 Pay & File Returns*.

N - Chargeable Assets Acquired in 2010

Enter the number of assets acquired and the consideration given where relevant.

O - Property Based Incentives on which Relief is Claimed in 2010 [901 - 930]

If you have invested in any property based incentive scheme in 2010 or prior you may have information that must be returned in Panel O. You may need to refer to the more comprehensive *Guide to Completing 2010 Pay & File Returns*.