

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 11E

What is Form 11E?

The Form 11E is the shorter of the two Income Tax Return forms for self-assessed individuals. It is an extract of the main personal tax Return (Form 11).

Can I use the Form 11E?

The Form 11E is not suitable for individuals with a turnover of €1,000,000 or greater. Those individuals have to either file online via the Revenue On-Line Service (ROS) or complete a paper Form 11. In addition, those who:

- are non-resident,
- have three or more trades,
- are subject to the Limitation on the use of Reliefs by High-Income Individuals (a comprehensive Guidance Document on the application of the limitation is available on www.revenue.ie),
- are claiming tax relief in respect of a Property Based Incentive Scheme in 2010,
- have profits or gains attributable to rezoning decisions/relevant planning decisions,
- have information to declare in respect of Deferred Share Options,
- opened a Foreign Bank Account, were issued with a Foreign Life Policy, or acquired an interest in an Offshore Fund, in 2010,
- disposed of Foreign Life Policies or Offshore Funds,
- have windfall gains attributable to rezoning decisions/relevant planning decisions,

must file a Form 11 on-line via ROS or complete a paper Form 11 (please refer to information at the front of this Helpsheet regarding mandatory e-filing).

If you are subject to the Limitation on the use of Reliefs by High-Income Individuals, you must also file a Form RR1.

Items omitted from Form 11E, all of which are in the Form 11, are listed on page 4 of this Helpsheet. If you have anything to declare in relation to any of the listed items (other than those marked in **bold**) you can enter the required information in the space provided at Panel P of the Form 11E.

You can obtain a Form 11 (or Form RR1) on www.revenue.ie, from Revenue's Forms and Leaflets Service at LoCall 1890 306 706 or from any Revenue office. LoCall rates - note that the rates charged for the use of 1890 (LoCall) numbers may vary among different service providers.

Can I file this Return On-Line?

An alternative way to completing this paper Return is to file your Return electronically through the **Revenue On-Line Service (ROS)**. The ROS Form 11 contains the panels appropriate to an individual who would use Form 11E. You will only need to open and complete the panels relevant to your needs. 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 www.revenue.ie

Where can I get further help?

In addition to the following notes, a larger and more detailed publication - "Guide to Completing 2010 Pay & File Returns" is available on www.revenue.ie from Revenue's Forms & Leaflets Service at LoCall 1890 306 706 or from any Revenue office.

Pay and File

Under Pay and File, you must file your 2010 Tax Return and pay your liabilities on or before 31 October 2011. On that date you must also pay any balance of Income Tax due for 2010. The onus is on you to calculate your own tax liabilities. However, if you file your Return on or before 31 August, Revenue will issue you with a notice of assessment to enable you to know the income tax you have to pay on 31 October.

If you file after 31 August, Revenue 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.

Sign and Date the Return

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.

Attachments and Business Accounts

You should not submit any correspondence or 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 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 purposes 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 *Extracts From Accounts* on pages 4 - 6 of the Return.
- do not submit lists or schedules with the Return. The totals should be entered on the Return.
- do not enter items 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, capital gains, gifts and inheritances, etc. of both spouses unless they have made a formal election to have their tax affairs dealt with separately.

118 -153 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.

C - Irish Rental Income

202 Compliance with the registration requirements of the Residential Tenancies Act 2004

& 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 which 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.

205-210 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 any income exempt under the Rent-a-Room scheme entered at Line 413(a). Where a clawback of 'Section 23' Relief arises, the clawback will be the full 'Section 23' Relief granted and should be included as "Gross Rent Receivable" at Line 205.

209 S. 409A restriction limits unused Capital Allowances for offset to €31,750 in certain cases - see *Guide to Completing 2010 Pay & 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

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 Benefit, etc.

Income Levy - Gross Income from Employment/Pension

229 The Income levy is a levy payable on aggregate income, including notional pay, before any relief for any capital allowances, losses or pension contributions. **Note:** Income Levy rates have changed from last year. More information on the Income Levy is available on www.revenue.ie, from your Revenue office or in the more comprehensive *Guide to Completing 2010 Pay & File Returns*.

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

If you have Foreign Income sources other than those shown you should file online via ROS or complete a paper Form 11.

F - Income from Fees, Covenants, Distributions, etc.

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 Saving Accounts:** 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 subject to DIRT, i.e. the amount **after** the relevant exemptions.

404 Include scrip dividends received from quoted resident companies.

G - Exempt Income

413 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 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 Payment, Charges and Interest Paid

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 covenantor'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.

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 claim 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 for tax relief here, subject to certain restrictions and upper limits. You will need to check these restrictions and upper limits (see Leaflet CG13 - Mortgage Interest Relief (Tax Relief at Source) or *Guide to Completing Pay & File Tax Returns* on www.revenue.ie) 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.

I - Claim For Tax Credits, Allowances, Reliefs and Health Expenses

- 513 (a) 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.
- 513 (b) 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 the 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 tax relief. Do **not** include amounts proper to Health/Medical Insurance premiums.
- 521 Qualifying Tuition Fees paid in the academic year 2010 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).
- 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.

M - Capital Gains - Capital Gains for the year 1 January 2010 - 31 December 2010

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.

P - Items Not Included in this Return

The following items that appear on the Form 11 have not been included in the Form 11E. If you have anything to declare in relation to the items marked in **bold** you **must** complete Form 11. If you have anything to declare in relation to any of the other items you may use the space provided in Panel P. Alternatively, it may be more appropriate for you to file online via ROS or complete a Form 11, available on www.revenue.ie, from Revenue's Forms and Leaflet Service at LoCall 1890 306 706 or from your Revenue office.

16 - 21	Residence status for the year 2010: If your status is other than resident and domiciled in the State you must file online via ROS or complete Form 11		
115	Profits or gains attributable to rezoning decisions/relevant planning decisions		
233	Convertible Securities	410 - 412	Exempt Income (Artists, Woodlands & Exempt Patent Income)
235 & 236	Deferred Share Options	509	Retirement Relief for certain Sportspersons
303	E.U. Deposit Interest	511	Interest relief on a loan applied in acquiring an interest or share in certain companies or partnerships, etc.
305	Foreign Employments on which Transborder Relief is not claimed	512	Significant Buildings and Gardens
306	Foreign Employments on which Transborder Relief is claimed	528	Owner Occupier Relief on a Residential Property in a Designated Area
307	U.S. Dividends		
308 & 309	Canadian Dividends	601 - 603	High-Income Individuals: Limitations on use of Reliefs
310 & 311	Foreign Trade/Profession	801(e) & (f)	Disposals of Foreign Life Policies & Offshore Funds
313 & 314	All other Foreign Interest, Royalties, Annuities, Dividends, etc.	815(f)/816(f)	Windfall gains attributable to rezoning decisions/relevant planning decisions
315	Irish tax deducted on encashment		
316	Foreign Bank Accounts	901 - 930	Property Based Incentives on which relief is claimed in 2010
317 - 319	Foreign Life Policies/Offshore Funds/Other Offshore Products		
408	Investment Undertakings		