

Foreign Earnings Deduction Statistics 2017

January 2020

The statistics in this release are prepared by Revenue's Strategy, Evaluation & Reporting Branch based on analysis of taxpayer returns filed in relation to 2017. They should be considered as provisional and may be revised.

More detailed information regarding the Foreign Earnings Deduction is available on the Revenue website. Any queries of a statistical nature in relation to this release should be directed to statistics@revenue.ie

Introduction

Overview of the Deduction

Irish resident taxpayers who spend time working abroad may be able to avail of a deduction (the Foreign Earnings Deduction or “FED”) from their taxable income, subject to meeting certain conditions.¹ In 2017 to be eligible for the FED taxpayers must have worked in a relevant state for at least 30 qualifying days.² The FED runs from 2012 to 2022 (an extension from 2020 to 2022 as announced in Budget 2020, subject to implementation in the Finance Bill 2019).

Relevant State

In 2017 the list of relevant states for the FED was:

- Algeria
- Bahrain
- Brazil
- Chile
- China
- Colombia
- Democratic Republic of the Congo
- Egypt
- Ghana
- India
- Indonesia
- Japan
- Kenya
- Kuwait
- Malaysia
- Mexico
- Nigeria
- Oman
- Pakistan
- Qatar
- Republic of Korea
- Russia
- Saudi Arabia
- Senegal
- Singapore
- South Africa
- Tanzania
- Thailand
- United Arab Emirates
- Vietnam

¹ <https://www.revenue.ie/en/personal-tax-credits-reliefs-and-exemptions/income-and-employment/foreign-earnings-deduction/index.aspx>

² You must work the number of qualifying days during a tax year or during a continuous 12 month period that spans two tax years.

FED Statistics

Claimants and Tax Cost

The number of taxpayer units claiming FED, and the total tax cost associated with these claims, is set out in the table below.

Year	Number of Taxpayer Units	Tax Cost (€m)
2012	108	0.8
2013	135	1.0
2014	144	1.1
2015	472	3.2
2016	413	3.5
2017	591	3.9

Claimants by Sector

The number of taxpayer units claiming FED in 2017, and the tax cost associated with those claims, broken down by NACE sectoral classification standard, is set out in the following table.

Sector	Number of Taxpayer Units	Tax Cost (€m)
Manufacturing	49	0.28
Electricity, gas, steam and air conditioning supply	22	0.12
Construction	17	0.09
Wholesale and retail trade; repair of motor vehicles and motorcycles	59	0.41
Information and communication	61	0.38
Financial and insurance activities	74	0.60
Real estate activities	78	0.58
Professional, scientific and technical activities	82	0.45
Administrative and support service activities	24	0.16
Education	11	0.07
Revenue specific NACE code	83	0.57
Other	31	0.18
Total	591	3.89

Qualifying Days Claimed

From 2012 to 2014, claimants had to work at least 60 days in a qualifying state. In 2015, this was amended to 40 qualifying days and in 2017 it was altered to the current 30-day requirement. The table below sets out the average number of qualifying days, as declared on tax returns by FED claimants.

Year	Average Number of Qualifying Days Claimed
2014	92
2015	81
2016	81
2017	71

Relevant Countries

The number of claimants applying for FED as a result of working abroad, broken down by relevant states, is provided in the table below. The list of relevant states has expanded greatly since the introduction of FED in 2012, where a state was not a relevant state in a given year the state is marked as 'N/A' in the table. Further, the years 2012 and 2013 are not included to avoid issues with Revenue's Standard Disclosure Controls (SDC) due to the smaller numbers of cases involved.³

As claimants can claim for more than one state, the number of claimants in the table below does not reconcile with the number of claimants in the tables above. It should also be noted that, as stated, the list of relevant states below relate to eligible states for claims in 2017.

State	Number of Claimants			
	2017	2016	2015	2014
Algeria	*	*	*	*
Bahrain	30	12	14	N/A
Brazil	17	10	*	*
Chile	*	*	*	N/A
China	109	76	85	30
Colombia	*	N/A	N/A	N/A
Democratic Republic of the Congo	0	0	0	*
Egypt	14	*	*	*
Ghana	*	*	*	*
India	67	54	32	10
Indonesia	12	10	13	N/A
Japan	28	18	20	N/A
Kenya	13	13	11	*
Kuwait	*	*	*	N/A
Malaysia	34	35	24	N/A
Mexico	19	24	10	N/A
Nigeria	*	*	*	*
Oman	10	*	10	N/A
Pakistan	*	N/A	N/A	N/A
Qatar	11	*	12	N/A
Republic of Korea	13	11	*	N/A
Russia	27	20	20	*
Saudi Arabia	37	29	23	N/A
Senegal	*	0	0	0
Singapore	55	44	32	N/A
South Africa	55	34	30	22
Tanzania	*	*	*	*
Thailand	22	13	19	N/A
United Arab Emirates	89	66	50	N/A
Vietnam	22	*	*	N/A
Total	724	538	463	91

The number of claimants, broken down by State, in 2017 is also shown in the following graphic.

³ States with less than 10 claimants in a given year are represented with * to avoid issues with Revenue's SDC: <https://www.revenue.ie/en/corporate/documents/statistics/about/statistical-disclosure-control.pdf>

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