Double Deduction

Credit through the PAYE System for non-refundable foreign tax

Part A should be completed by an individual who:

- is tax resident in Ireland, and
- is employed by an Irish employer, under an Irish contract of employment, and
- exercises some of the duties of the employment outside the State, and
- is liable to simultaneous deduction of Irish tax and non-refundable foreign tax at source from the same income.

Part A - to be completed by employee

Employee name		
Employee address (include Eircode)		
Employee PPS Number		
Employer name		
Employer address (include Eircode)		
Employer registered number		
Year of claim		
Are you tax resident in Ireland for the year of claim	Yes ☐	No ☐
Foreign jurisdiction where some of the duties of your employment are exercised		
Estimated total income from all sources for year of claim (Euro)		
Estimated annual tax payable in Ireland for year of claim (Euro)		
Estimated income subject to tax in foreign jurisdiction for year of claim (i.e. doubly taxed income) (Euro)		
Estimated non-refundable foreign tax payable in foreign jurisdiction for the year of claim (Euro)		

Part B - for Revenue use only

Where Ireland has a Double Taxation Agreement in place with the foreign jurisdiction.

(If Ireland does not have a Double Taxation Agreement in place with the foreign jurisdiction, please refer to **Part C** of this form.)

(A)	Estimated total income from all sources for year of claim	
(B)	Estimated annual tax payable in Ireland for year of claim	
(C)	**Irish Effective Rate**	$\frac{B \times 100}{A}$
(D)	Estimated income subject to tax in foreign jurisdiction for year of claim (i.e. doubly taxed income)	
(E)	Estimated non-refundable foreign tax payable in foreign jurisdiction for the year of claim	
(F)	**Foreign effective rate**	$\frac{E \times 100}{D}$

Compare Irish effective rate (C) and foreign effective rate (F).

If the foreign effective rate (F) is lower than the Irish effective rate (C)	**If the Irish effective rate (C) is lower than the foreign effective rate (F)**
A credit of the amount at (E) may be granted in the year of claim.	**Step 1 (revised foreign income)** $\frac{(D - E) \times 100}{100 - C} = G$ **Step 2 (foreign tax credit)** G – (D – E) **Step 3 (reduction in foreign income expressed as a credit)** (D – G) x marginal tax rate = H **Credit of the aggregate of the amounts at Step 2 and Step 3 may be granted in the year of claim.** **Note** The foreign credit must not exceed the sum ascertained by multiplying the amount of the foreign income by the individual's Irish Effective Rate (IER).

Part C - for Revenue use only

Where Ireland does not have a Double Taxation Agreement in place with the foreign jurisdiction.

(I)	Estimated non-refundable foreign tax payable in foreign jurisdiction for the year of claim	
(J)	Credit due for the year of assessment	(I) x marginal tax rate

Part D - for Revenue use only for end of year calculation

Additional double taxation relief in respect of USC where the Foreign Effective Rate is greater than the Irish Effective Rate.

(K)	**Available foreign tax remaining for USC**	**E - (D x C)**
(L)	Amount of USC Payable for year of claim	
(M)	Amount of Income liable to USC	
(N)	**USC Effective Rate**	$\frac{\mathbf{L \times 100}}{\mathbf{M}}$
(O)	**USC attributable to foreign income**	**D x N**
(P)	**Additional double taxation relief due in respect of USC**	**Compare amount at K Vs O.** **Allow the lower amount.**

Note: Additional USC relief is added to relief calculated in Part B of this form.

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