

## ISSUE 6 - April 1992

### 1991/92 Tax Returns

#### Introduction

The making of assessments for Self Assessment taxpayers for 1990/91 is now nearing completion. With the issue of 1991/92 Tax Returns, the time is now ripe to remind practitioners of the desirability of filing these returns as soon as possible.

We appreciate that practitioners may have difficulty in convincing some clients that it's time to "get the books ready" again but, in long run, it is worthwhile making a start now.

Among the topics covered in this issue of Tax Briefing are:

The treatment of GMS doctors' retirement annuity contributions which continues to give rise to some problems.

The problem of correspondence to Tax Offices in cases where a surcharge has been incurred because of failure to file a tax returns on time.

The allowability, for Health Expenses Relief purposes, of expenditure incurred on certain dental treatments.

The screening of returns for audit.

Stamp duty Amnesty.

The general issue of 1991/92 Tax Returns for Self Assessment taxpayers began in April 1992. In recognition of the relatively straightforward income profiles of a significant number of taxpayers, a shorter version of Tax Return - Form 11 (short), is being issued this year for certain categories of taxpayers. These forms may only be used by the taxpayers to whom they were issued. It is hoped that in the light of experience we can extend the use of this shorter return to more taxpayers in the future years.

Districts advise that some practitioners are currently sending in, without 1991/92 Returns, accounts which form the basis for 1991/92 assessments. This is not recommended. Might we again remind practitioners of the requirements in relation to return filing. **We require one comprehensive return to be submitted, with accounts and all supporting documents. We recommend that this return be submitted as soon as possible after 5 April 1992.** This will have benefits for practitioners and taxpayers in calculating 1992/93 Preliminary Tax. By filing returns earlier, pressure will also be eased for practitioners and Revenue around the final return filing date of 31 January 1993. This should result in more accurate returns being submitted and more accurate assessments.

#### New Collector - General

Micheal A Baird has been appointed to the post of Collector-General in succession to Mr. Tom Mulherin, who has moved to a new Assistant Secretary post in the Department of Social Welfare.

## 1. Income Tax

### 1.1 Revenue & Social Insurance (RSI) Number

The Revenue & Social Insurance (RSI) Number is an individual's life-long integrated reference number for the purposes of taxation and Social Insurance.

Up to now, a person normally got an RSI Number from the Tax Office - e.g. on taking up employment for the first time. The Department of Social Welfare are now automatically issuing an RSI Number to every person, aged 16 years and over, who does not already have one.

Practitioners should note that every individual commencing employment or becoming self-employed at this stage have his or her RSI Number. An individual who does not know his/her RSI Number will not be issued with another. Instead, certain basic information will be requested to enable the RSI Number issued to be traced.

The information essential to trace a person's RSI Number is:

**Full Name**

**Date of Birth**

**Mother's Maiden Name**

**Pre-Marriage Name (if a married woman)**

**Home Address, while not essential, is usually helpful and should also be given.**

This information is requested in a number of Revenue Forms-

E.g. Form 12A - Application for Certificate of Tax-Free allowances & Social Insurance Registration,

Form RSI/ENQ - Revenue/Social Insurance (RSI) Registration Personal Profile Form.

If practitioners cannot quote a client's RSI Number when making initial contact with the Tax Office on behalf of the client e.g. Application for registration for VAT or PAYE (Employer) or on submission of a Tax Return for the first time, Form RSI/ENQ should also be completed and submitted on the occasion of that first contact. This will result in a speedier processing of the applications or other matters requiring attention.

Practitioners are requested to ensure that all such forms are fully and accurately completed -with particular emphasis on the information required under the headings mentioned above. Otherwise, delays in obtaining RSI Number and Tax-Free Allowance Certificates will arise.

Although the Department of Social Welfare now issues all RSI Numbers, people commencing in employment should continue to call to the Tax Office in relation to Tax-free allowance applications etc.

Finally, a person's RSI Number should always be quoted in all contacts (correspondence, 'phone calls etc.) with the Tax Office and Department of Social Welfare.

## 1.2 Surcharge - Failure to File a timely return

Districts report that significant levels of correspondence continue to be received regarding cases where a surcharge has been imposed because a Return has not been submitted on time. "Head Office" is experiencing similar levels of correspondence on this subject.

In previous issues of Tax Briefing and elsewhere, we have pointed out that a correctly imposed surcharge **cannot** be waived at the discretion of the Inspector of Taxes and that there is, accordingly, **no point in writing or phoning Tax Offices looking to have the surcharge cancelled.**

If the problem of late returns arises because of the failure of certain clients to treat their tax responsibilities seriously, then perhaps it is time that practitioners when filing a return which is late make it clear to the client that there will be an automatic surcharge included in the assessment and that the **only way to avoid** a further surcharge is to make sure that future returns are submitted on time.

This is a matter which is entirely in the hands of taxpayers and/or practitioners. We can do no more than point out the necessity of timely filing. This we have done in many ways e.g. - leaflets, advertising, Statement of Practice (SP-IT/2/92) in relation to the importance of filing timely returns in commencement situations.

Hopefully, the realities of the surcharge will be recognised more in the future.

## 1.3 Benefit-In-Kind - Cars

It would appear that some tax practitioners thought, incorrectly, that it is unnecessary to advise clients to return details of cars made available by employers for their employees' private use, where the employees annual business mileage in the car exceeded 25,000 miles.

With the introduction of a minimum charge in respect of all such cars for 1992/93 - even where the business mileage exceeds 30,000 miles - it is important that practitioners be aware that the details required on Form CT1 (i.e. Company providing cars for directors) and on Forms 11/12 (i.e. employees/directors own returns), must be supplied in all cases where cars are provided which are available for private use.

## 1.4 Farmers and Headage payments

The requirement that farmers must quote their RSI Number (Revenue & Social Insurance number) on applications for Headage Payments has received widespread publicity recently. This requirement already applies to taxpayers who wish to receive grants or similar payments from any Government Department or Public Body in the State.

Because of the deferral of this requirement, in the short term, in relation to headage payments, some commentators wrongly concluded that farmers were being exempted from income tax on these payments.

We wish to put the position beyond doubt. While some farmers have received a deferral in relation to RSI number requirement, this in no way affects the question of the chargeability of farmers to income tax on headage payments. All headage payments to farmers are an income supplement/substitute and accordingly constitute income from farming for tax purpose.

Under self assessment, responsibility for making a return rests with each taxpayer. Practitioners should ensure that their

farmer clients are aware that headage payments are trading income and that they are included in the accounts which they prepare for each farming unit.

## 1.5 Health Expenses - Dental Care

Tax relief is available in respect of certain health expenses, including certain dental procedures. Routine Dental treatment, which is defined as meaning “the extraction, scaling and filling of teeth and the provision and repairing of artificial teeth or dentures” does not, however, qualify for relief.

The Revenue Commissioners have been concerned that, for some time, relief was being claimed for the cost of dental bridgework and other dental treatments for which relief was not due. Following discussions with the Department of Health, Revenue’s view that the provision of dental bridges was in fact the provision of artificial teeth, was confirmed. Accordingly, with effect from 6 April 1999, the practice which was developing of concessionally allowing relief for the cost of treatment involving bridgework, will no longer apply.

Listed, for information purposes, as appendices to this issue of Tax Briefing are the main dental treatment that do and do not qualify for tax relief.

## 1.6 Sub-Contractors - Credit for Tax Deducted

This item is prompted by a query to the Editor of the Irish Tax Review, published in March 1992 issue, regarding the fact that a taxpayer had incurred a surcharge because a return was filed late but the taxpayer had sufficient C45 tax deducted to cover the assessed tax.

Most sub-contractors who do not have certificates of authorisation (C2’) and who accordingly have tax deducted by “principals”, claim refunds of this tax in the course of the tax year. Where such a claim is made and there is no outstanding income tax liability for the current year, the Inspector will, without looking to the basis period to which the income relates, repay all the tax in respect of which From C45 are submitted - except insofar as any part of it is set against income tax due from an earlier period or Value Added Tax / Employer’s PAYE/PRSI, under the terms of the Income Tax (Construction Contracts) Regulations 1971.

Where, exceptionally, sub-contractors do not claim a refund in the course of a tax year but submit forms C45 at the end of the year of assessment they are treated, under Section 17, Finance Act 1970, as having made a payment on account of tax chargeable for that year of assessment in which the income from which the tax was deducted is chargeable to tax - except to the extent that any of the tax has been offset as described above. The payment on account is treated as having been made at the time the Forms C45 are submitted.

For the purposes of a surcharge under Section 48, FA 1986, C45 tax is not regarded as coming within the proviso to

subsection (2) as it is (to the extent that it has not otherwise been repaid or offset) under Section 17, FA 1970, a payment on account of final liability rather than a credit. C45 tax is different from withholding tax in respect of professional services - which is deducted in a particular period but not credited until the year of assessment following the period in which it was deducted. Unlike C45 tax also, there is specific provision for the offsetting of withholding tax against assessed liability.

Accordingly a surcharge can arise where a return is not filed by the due date even if sufficient C45 tax is available to cover assessed tax - **just as a surcharge will arise where a return is not filed by the due date and all tax has been paid by direct payment.** Where, however, C45 tax has been deducted from income of the basis period for a year of assessment and that C45 tax has not been repaid or offset in the circumstances outlined above, that tax will be regarded as coming within the proviso to Section 48(2).

Finance Act 1986, **to the extent that the income for the basis period has been charged in that person’s assessment to tax for that year of assessment.** In these circumstances a **surcharge would not arise** if the return was submitted late but the C45 tax to be credited was sufficient to leave no additional amount of tax payable on foot of the assessment.

As the cases in which these circumstances arise in practice are infrequent, practitioners are requested to highlight such claims when submitting returns so that Districts can take the necessary action to give effect to this set-off, which is not automated.

### Example:

Taxpayer prepared accounts to 30 April every year. In the year ended 30 April 1991, C45 tax of £5,000 is deducted. In the year to 30/4/92, C45 tax of £7,000 is deducted. Taxpayer did not pay Preliminary Tax for 1991/92. When return for 1991/92 is submitted (late), final liability for the year is £5,000.

- If the **C45 tax** of £5,000 was repaid or credited against income tax of an earlier year of assessment (or VAT, PAYE/PRSI), a **surcharge would be payable** on the final liability for 1991/92 of £5,000.
- If the **C45 tax** of £5,000 was not repaid or credited (as above) and taxpayer requested that it be set against liability for 1991/92, a **surcharge would not be payable** as, in these circumstances, there would be no additional tax due on foot of the final assessment for 1991/92 - the C45 tax being equal to the final liability.

**[NOTE: if no C45 tax had been deducted in y/e 30/4/91, taxpayer would not avoid a surcharge by asking to have the £7,000 deducted in y/e 30/4/92 set against the 1991/92 assessment - as this tax is not deducted from income charged in the assessment to tax for 1991/92.**

## 1.7 GMS Scheme for Medical Practitioners

There is still some confusion regarding the treatment for retirement annuity purposes of practitioners' income from the "GMS Common Contract".

We would remind practitioners that **ALL INCOME** received under the common contract (i.e. captivation fees, practice support fees, fees towards documents etc.) is income from a pensionable office or employment, for superannuation purposes.

Accordingly, in determining "net relevant earnings" for the purposes of retirement annuity contribution purposes in respect of any practice income arising outside the common contract, **NO PART of the GMS income paid under the "Common Contract"** may be taken into account.

## 1.8 Prosecution for failure to file a Tax Return

Failure to file a Tax Return is a criminal offense punishable by a fine of up to £1,000 and/or up to 6 months imprisonment on summary conviction. There are heavier penalties for conviction on indictment.

As part of Revenue's campaign against non-compliant taxpayers, prosecutions under Section 94 of Finance Act 1983, are now a regular feature where normal District compliance measures are ignored. Since June 1991, some 900 cases have been referred to the Revenue Solicitor for prosecution.

Prior to initiating prosecutions, the Revenue Solicitor issues a "warning letter" to non-filers advising of the intention to prosecute. This letter allows a period of grace, normally 21 days, to the non-filer to rectify matters and thereby avoid prosecution. If the return is not filed within the 21 day period, District Court Summonses are issued.

Practitioners should note that once a **Summons has issued**, there is no point in requesting Inspectors of Taxes to remove cases from the District court listed of cases to be summonsed - even where a return is submitted before the case comes for hearing in the District Court - as the matter is outside of their control at that stage.

Lists of cases who have defaulted in filing 1990/91 returns are now being compiled with a view to prosecution. Practitioners with clients who have not yet filed 1990/91 returns are advised to do so without delay.

# 2. Corporation Tax

## 2.1 Forms CT1 - General issue

Forms CT1 are issued for every company on our computer record which we perceive as being engaged in any activity or having assets. Each form identifies the company for whom the form is to be used and contains information which relates to that company only [name, address and serial number of the company, the accounting period for which the return has been issued and the name and address of the company's tax advisor.]

Regrettably, some practitioners continue to adapt forms CT1 issued for specific companies and use them for other companies. The consequences of this can give rise to confusion in Tax Offices where information relevant to a particular company may be applied to some other company. Apart from the confusion that this can cause, it can also lead to extreme embarrassment for practitioners if a client is assessed on the basis of figures returned for some other company.

So, please, **NEVER** use a form for any client other than the client for whom it was issued. If practitioners have clients for whom they do not get a form CT1 and one is needed, a blank form CT1 should be used. **A supply of blank forms CT1 can readily be obtained for this purpose from an CT District.**

## 2.2 Current and Loan accounts of Directors and Participators

Some practitioners submit forms CT1 for clients which indicate (on Panel 25) that a loan has been made to a director or participator during the accounting period. It follows that the Income Tax liability arising under Section 98 of the Corporation Tax Act 1976 (which is treated as Corporation Tax by Sections 47 to 49, FA 1990) should be entered in panel 18 of the form CT1 - otherwise the return is not a full and true return.

The income tax liability in question should also of course be included in the Preliminary Tax payments made for the accounting period.

## 2.3 Advance Corporation Tax

Where a company makes a distribution during an accounting period, Advance Corporation Tax (A.C.T.) must be paid to the Collector-General within 6 months of the end of the accounting period, using form ACTP. The completed form ACT 1 must be returned with Form CT1 within 9 months of the end of the accounting period. Corporation Tax paid directly will not be set against ACT due.

## 2.4 Distributions from Manufacturing Profits

The rules for calculating the tax credit attaching to distributions paid after 6 April 1989 were altered by Section 32 of the Finance Act 1988 and Section 24 of the Finance Act 1989. The revised rules treat distributions as coming proportionally from the aggregate of a company's sources of income.

That part of the distribution which is treated as coming out of manufacturing relieved income carries out of manufacturing relieved income carries a tax credit of 1/18th. The balance of the distribution carries a standard rate tax credit.

The distribution is apportioned between manufacturing and other income by using the following formula:-

$$Y \times \frac{(A-B) + E-U}{(R-S) + T-W}$$

In this formula:-

Y = the distribution made by the company

A = the amount of the company's 10% manufacturing relieved income for the accounting period

B = the reduced Corporation Tax attaching to the income at "A".

E = the amount of any manufacturing dividends received in the accounting period.

R = the total amount of the company's income finally chargeable to Corporation Tax for the period excluding chargeable gains but including exempt income.

S = the Corporation Tax attributable to the income at R, after manufacturing relief and export sales relief.

T = the total of all distributions received in the accounting period.

U = the amount of manufacturing dividends made by the company before 6 April 1989 for the accounting period or regarded under Section 64(3) or (6) CTA 1976 as made for the accounting period.

W = the amount of the distributions made by the company before 6 April 1989 for the accounting period or regarded under Section 64(3) or (6) CTA 1976 as made for the accounting period.

### NOTE:

**E & T will be NIL**, unless a company holds shares in another company and received dividends/manufacturing dividends from that company.

U & W are transitional factors. At this stage, they will generally be **NIL** - except where a distribution is made or is treated as made for an accounting period for which distributions subject to the Primary Fund Rules have already been made, in which case U & W can have positive values.

The following example should illustrate the formula:

A company prepares accounts for the year ended 30 April 1992. £400,000 of its total sales of £500,000 are Manufacturing Sales,

The computation for CT purposes is as follows:-

	£	
Case I	50,000	
Case V	12,000	
Chargeable Gain	10,000	
Profits	72,000	£
Corporation Tax : 72,000 @ 48%		28,800
CT Attributable to chargeable gain		( 4,000)
CT attributable to income before		
<b>Manufacturing Relief</b>		24,800
Less Manufacturing Relief		
24,800 x 400,000 x 50,000 x 30 =		(12,000)
500,000 62,000 40		
CT liability on income after		
<b>Manufacturing Relief</b>		12,800
CT liability attributable to Chargeable gains		4,000
Final CT liability after Manufacturing Relief		16,800

A dividend is declared and paid in May 1992 out of the profits of the accounting period ended 30/4/92. To calculate the tax credit attaching to the dividend we use the formula set out above:-

Y = 20,000	E = Nil
A = 50,000 x 400,000 = 40,000	T = Nil
500,000	
B = 40,000 x 10% = 4,000	U = Nil
R = 62,000	W = Nil
S = 24,800 - 12,000 = 12,800	
20,000 x (40,000 - 4,000)	
(62,000 - 12,800) = 14,634	

£14,634 of the distribution of £20,000 will carry a tax credit of 1/18th. The balance of the distribution (£5,366) will carry a tax credit of 25/27ths.

## 3. Revenue Audits

### 3.1 Initial Meeting

We would ask practitioners to note that, where a taxpayer is to be audited, the initial meeting between the Inspector and taxpayer / practitioner is intended to be a full working one at which the audit will commence.

In some cases, practitioners and clients have attended these initial meetings, apparently on the assumption that the purpose is merely to discuss the fact that the audit will take place, without having the books & records available. Practitioners should therefore ensure that all books & records relevant to the audit are available at the initial meeting. This will ensure that the audit is concluded as quickly as possible and at the least cost and inconvenience to be taxpayer (client).

### 3.2 Selection of Cases for Audit - Screening of Returns

Self Assessment operates on the principle that Revenue accept the tax return, as filed, as the basis for determining tax liability. Prior to input to the computer, the return is examined only to the extent necessary to establish that all the ingredients for the marking of an assessment by reference to the return are readily available. This work is non-judgemental.

To ensure compliance with the law a number of returns are selected for examination i.e. Revenue Audit. This selection is made by an in depth appraisal (or screening) of returns by Audit Inspectors. This is a very important stage in the self assessment system and largely determines whether or not, a taxpayer will be the subject of a Revenue Audit. Cases are normally selected for audit by reference to the relevant return, accounts and supporting (or lack of) documents. There appears to be a misconception that, because Revenue process returns as submitted, only the barest of additional information should be submitted with the return. **In fact, the opposite position should prevail because,** while the background information may not be looked at when a return is processed, it is relevant when a return is being screened for audit. At this stage absence of basic background information may result in a case, which would otherwise not merit an audit, being selected - particularly where:-

- The results show significant deviations from industry/trade norms or prior year results
- There are other significant features e.g. large debits in the profit and loss account or significant amounts of cash introduced etc.
- Accounts are not submitted with a return.

Failure to follow these fundamental points may result in a case being selected for a Revenue Audit which, if the relevant information had been submitted, might not warrant selection.

This can create unnecessary friction between the practitioner, client and Inspector and can easily be avoided. Practitioners are requested to bear this in mind when preparing accounts and computations for submission.

In common with all countries that operate a Self Assessment system of taxation, Inspectors will not reveal the criteria used for selecting cases. Practitioners are accordingly requested not to ask Inspectors engaged in audits to explain when a case was selected.

### 3.3 Audits of Companies

While similar consideration to the above apply to companies, practitioners should also refer to Issue 5 of Tax Briefing and the specific references therein to the Audits of Companies.

### 3.4 Random Audits

Up to now, the selection process was designed to maximise the selection of cases likely to show understated liabilities and to minimise the selection of taxpayers who had submitted correct returns. This approach has been successful.

A fully developed audit system must include the potential to audit, not just cases which have features that suggest there may be understated tax liabilities but, any case selected at random. This feature has now been added to our audit programme and for 1992 it is intended that some 5% of audit cases will be selected on random basis. These random audits have already commenced.

## 4. Capital Taxes

### 4.1 Residential Property Tax

#### Valuation Date 5 April 1992

The Minister for Finance announced in his budget Statement of 29 January 1992 that he proposed to reduce the market value and income exemption limits for 1992 (valuation date 5 April) to £90,000 and £27,500 respectively. Residential Property Tax is payable in respect of this valuation date on or before 1 October 1992.

#### Valuation Date 5 April 1991 (and prior)

Practitioners are reminded that it is the policy of the Revenue Commissioners to institute legal proceedings for the recovery of the full penalty of £1,000 in the case of persons who are liable to make a residential property tax return but have failed to do so. The commissioners are continuing to compile lists of such persons for penalty proceedings. Practitioners might therefore wish to advise clients who have failed to make returns to do so before legal proceedings are instituted.

Further information may be obtained from Residential Property Tax, Capital Taxes Branch, Dublin Castle, Dublin 2. Phone 6792777 exts 2331 and 2332.

## 4.2 Capital Acquisitions Tax

The Finance Act 1990 introduced indexation for the purposes of calculating CAT liabilities. A Statement of Practice (SP-CAT/2/90) explained the indexation process in detail.

A further Statement of Practice (SP-CAT/1/92) is now available which specifies the indexation factors to be employed. In summary, the threshold amounts should be multiplied by an indexation factor of-

- (1) 1.04 where the taxable gift/inheritance is taken in the year 1990.
- (2) 1.076 where the taxable gift/inheritance is taken in the year 1991.
- (3) 1.109 where the taxable gift/inheritance is taken in the year 1992.

## 4.3 STAMP DUTY

### Amnesty!

In his Budget speech on 29 January 1992 the Minister for Finance announced an amnesty to encourage the payment of stamp duties outstanding on documents executed prior to 1 November 1991.

The amnesty as proposed will apply to interest and other penalties for the late payment of duty. Because of the revised stamp duty regime brought about by the Finance Act 1991, interest and penalties on duty outstanding on documents executed prior to 1 November 1991 can in many cases be very substantial.

The amnesty will give taxpayers a once-off opportunity to settle any long - outstanding stamp duty liabilities without payment of interest and penalties.

**The amnesty will operate from 30 January 1992 to 30 September 1992. However, to avail of full mitigation of interest and penalties the outstanding must be paid prior to 1 July 1992. Thereafter interest and penalties will be payable from 1 July 1992.**

Full details of the amnesty are contained in a Statement of Practice "Amnesty for Stamp Duty" (SP-SD/1/92) which is available on request from the Stamp Duty Office, Capital Taxes Branch, Dublin Castle, Dublin 2. Telephone 6792777 exts. 2252 & 2257 or from the Cork Office, Government Buildings, Sullivans Quay, Cork. Telephone (021) 968 783 Ext 104.

### Registered Post

The Revenue Commissioners have decided to suspend permanently the use of registered post for the return of stamped instruments. All instruments submitted through the postal stamping service will be returned to the taxpayers or their agents by ordinary post. A Statement of Practice (SP-SD/2/92) sets out in full the reasons for the new arrangements. It is available on request from the above offices.

### Stamping Duties & Levies

In his Budget Speech the Minister for Finance announced his intention to increase the stamp duty payable in respect of credit cards and charge cards [Section 17, Finance (No. 2) Act 1981]. The new rate will be credit and charge cards respectively. As the measure was introduced by Financial Resolution on Budget night, 29 January 1992, it is effective from that date and payments of duty in respect of 1 April 1992 must be based on the new rate.

In addition the Minister announced his intention to introduce a duty on Automatic Teller Machine (ATM) Cards, at the rate of £2 per card.

Payments in respect of the Levy on Collective Investment Undertakings (Section 109, Finance Act 1990) and the Levy on Certain Premiums of Insurance (Section 92, Finance Act 1982 as amended) for the quarter ending 31 March 1992 are due on or before 30 April 1992.

## 5. Value Added Tax

### 5.1 Rate Increases

With effect from 1 March 1992 the following changes were made in VAT:-

Certain goods and services formerly liable to VAT at 12.5% became liable at 16%. The following is an illustrative list of the goods and services effected:

- adult clothing and footwear including materials for their manufacture
- auto LPG
- car driving instruction
- corrective spectacles and lenses
- hairdressing and certain other personal services
- farm auctioneering and solicitor services relating to sales of agricultural land
- farm accountancy and farm management services

- general repair and maintenance services (other than building work) including care repairs
- photographic services
- services of jockeys
- telecommunications
- works of art, literary manuscripts, most antiques

A Statement of Practice (SP-VAT/1/92) outlining the changes in the VAT rates on services is available on request from VAT Branch, Castle House, George's Street, Dublin 2. Phone 6792777 exts 2240-2443.

## 5.2 Farmers' Flat Rate

The rate was increased from 2.3% to 2.7%.

## 5.3 Live Cattle, Greyhounds, Horses, Sheep, Goats, Pigs and Deer

The rate was increased from 2.3% to 2.7%. The increased rate of 2.7% also applies to imports of live cattle, greyhounds, horses, sheep, goats, pigs and deer, and to the hire of horses.

## 5.4 Property Transactions - "Multiplier" for Valuation of Interest in Property

The following are the appropriate "Multipliers" based on the redemption yield of the most recent National Loan Issues

Date of Issue	Multiplier
21 May 1991	10.75
24 January 1992	10.98

[see VAT Leaflet 2 - property Transactions (Para 36) for circumstances in which used].

# 6. Collector-General

## 6.1 P35 Return

Practitioners will have noticed that a duplicate copy of the declaration portion of the PAYE/PRSI end of year return (ie form P35) has been provided for the first time this year.

It should be noted that the extra copy is not for retention by the taxpayer. If it is required by the Collector-General's Office to record employer details on computer file and should therefore be returned, with the original and all other relevant documents by 30 April 1992 to

Office of the Collector-General,  
Apollo House,  
Tara Street,  
Dublin 2.

## 6.2 VAT Repayments (Registered Traders)

In pursuit of the Revenue Commissioners' objective of providing an improved service to the tax paying community, the number of telephone enquiry lines in the VAT Repayments Section has been increased to five.

These telephone enquiry lines are on a VAT registration number ending basis, as follows

VAT Registration Number ending	Telephone No.
1 and 2	(01) 612340
3 and 4	(01) 681752
5 and 6	(01) 681623
7 and 8	(01) 681532
9 and 0	(01) 681720

When making an enquiry, traders and/or their agents should use only the telephone number appropriate to their VAT Registration number.

## Correspondence should continue to be addressed to

VAT Repayments Section  
Revenue Commissioners,  
Baggot Bridge House,  
84/86 Lower Baggot Street,  
Dublin 2.



## 6.3 Single Market

### VAT Return

In order to comply with EC requirements for 1993, two additional boxes have been added to the VAT 3 return under the heading "Intra EC Transactions". The information required is

1. Imports from EC countries
2. Exports to EC countries

All traders are required to complete these boxes. Where there are no EC imports or exports, NIL should be entered.

### Prefix of IE (Country Code) to VAT Numbers

From 1 January 1993, all VAT number quoted in the community must include the country code prefix.

The country code for Ireland is IE and this prefix must be displayed on relevant documentation such as invoices, credit notes, debit notes etc.

All VAT registered traders should be planning for this change now and should cater for the new requirement as the opportunity arises e.g. when re-ordering stationery. Whilst the new requirement will not be obligatory until 1 January 1993, there is not objection to using the prefix to that date.

Example : VAT number 1234567T will be displayed as IE 1234567T