(S.I. No. 131 of 2001)
INCOME TAX (RELEVANT CONTRACTS) REGULATIONS, 2001.

The Revenue Commissioners, in exercise of the powers conferred upon them by section 531 of the Taxes Consolidation Act, 1997 (No. 39 of 1997), make the following regulations:

1. These Regulations may be cited as the Income Tax (Relevant Contracts) Regulations, 2001.

2. The Income Tax (Relevant Contracts) Regulations, 2000 (S.I. No. 71 of 2000), are amended as follows —

(*a*) in Regulation 2, by the substitution of the following for the definition of "income tax month":

"'income tax month' has the meaning (inserted by the Finance Act 2001) assigned to it by subsection (1) of section 530 of the Act;",

And

(*b*) in Regulation 11 —

(i) by the insertion of the following paragraph after paragraph (1):

"(1A) Notwithstanding paragraph (1) of this Regulation, a sub-contractor's certificate to be issued under that paragraph for a period commencing on 6 April 2001 shall, unless otherwise recalled or cancelled by the Revenue Commissioners, be valid for the period to 31 December 2002.",

(ii) by the insertion of the following paragraphs after paragraph (2):

"(2A) Unless otherwise recalled or cancelled by the Revenue Commissioners, a sub-contractor's certificate to which paragraph (2) applies, which would otherwise be valid for a period commencing before 6 April 2001 and ending after that date shall, notwithstanding anything contained in these Regulations or in any Regulations revoked by these Regulations, be deemed to be valid to 5 April 2001 only.

(2B) Notwithstanding paragraph (2) of this Regulation, a sub-contractor's certificate to which that paragraph applies and which is to be issued for a period commencing on 6 April 2001 shall, unless otherwise recalled or cancelled by the Revenue Commissioners, be valid to 31 December 2004.",

and

(iii) by the substitution, with effect from 1 January 2002, of "€6,340,000" for "£5,000,000" in subparagraph (a) of paragraph (2),

Given this 5th day of April, 2001.

D. B. Quigley
Revenue Commissioner.

EXPLANATORY NOTE

(This note is not part of the Instrument and does not purport to be a legal interpretation)

These Regulations amend the Income Tax (Relevant Contracts) Regulations 2000, which govern the deduction of tax from payments made by principal contractors to sub-contractors in the construction, forestry and meat processing industries. The Regulations are consequential on the alignment from 1 January 2002 of the income tax year with the calendar year and the operation of a short preceding tax "year" covering the period from 6 April to 31 December 2001.

The Regulations provide a new definition of "income tax month" for the purposes of relevant contracts tax. In effect, the new definition provides that the period from 6 December to 31 December 2001 will be treated as an income tax month and, to coincide with the introduction of the calendar income tax year from 1 January 2002, secures that from that date an income tax month will be a calendar month.

The Regulations also make changes to the period of validity of sub-contractors' certificates (these are certificates of authorisation to receive payments from principal contractors without deduction of tax). A sub-contractor's certificate is normally valid for one year only. However, such a certificate issued for a period commencing on 6 April 2001 will be valid until 31 December 2002, unless it is otherwise recalled or cancelled by Revenue. In addition, where a multi-year sub-contractor's certificate has issued for a period commencing before 6 April 2001 and ending after that date, the certificate will be deemed to expire on 5 April 2001. Finally, unless it is otherwise recalled or cancelled by Revenue, a multi-year sub-contractor's certificate issued for a period commencing on 6 April 2001 (which would normally be valid for 3 years) will be valid to 31 December 2004.

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