

Guidelines for charging interest on late payment through the Process Automation of Interest on Late Payment, Integrated Case Management and Direct Debit systems

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NOTE: From 1 January 2019 any reference to PAYE/PRSI/USC/LPT should be read as Employer Income Tax/PRSI/USC/LPT. It should be noted that any reference to Forms P30 or P35 is relevant for periods up to 31/12/18. Any reference to P30 should read "Return" post 01/01/2019. P35 will no longer exist for the period 01/01/2019 onwards.

1. Purpose

1.1 The purpose of this guideline is to explain:

- Why interest is charged
- How to raise interest charges through "Integrated Case Management" (**ICM**)
- How interest can be used as a deterrent against abuse of the Direct Debit system.

2. Introduction

2.1 Interest is charged under the following legislation:

- Income Tax, Corporation Tax and Capital Gains Tax: section 1080, Taxes Consolidation Act, (TCA) 1997
- PAYE/PRSI/USC/LPT: section 991, TCA, 1997
- RCT: section 530Q, TCA, 1997
- VAT: section 114 VAT (VATCA) 2010

Late payment of tax causes a considerable drain on the exchequer. Revenue charges Interest on Late Payment (ILP) to:

- Penalise those who pay late
- Ensure that those who pay late do not gain a commercial advantage over those who pay on time
- Encourage taxpayers to pay on time in future

2.2 This guideline amalgamates the general charging of "Interest on Late Payments" (**ILP**) with the charging of interest on underpayments of VAT and PREM liabilities within the Direct Debit system. It also includes a brief note on interest charges issued under the "Process automation of Interest on Late Payment" (**PAILP**) system.

2.3 A caseworker can select a case for an ILP charge in the normal case-working routine, i.e. through the running of a late payment query by a DM manager or through the PAILP system.

2.4 ILP should also be raised as a matter of routine in all cases that have received an ILP warning letter within the last 12 months.

- Customers will retain their existing payment arrangements. i.e. for a quarterly payer, the Return liabilities/balances in the three months will not become due until the 14th of the month following the quarter.

The following material is either exempt from or not required to be published under the Freedom of Information Act 2014.

[...]

3. Scope

3.1 This guideline is for all Revenue staff engaged in Debt Management case-working and Direct Debit compliance work.

- **Sections 5 to 8** relate to the charging of interest as part of regular compliance work
- **Sections 9 and 10** relate to the charging of interest in Direct Debit cases

4. Interest Rates

4.1 Interest is charged on a daily basis so that it accurately reflects the lateness of a payment. It is therefore in the customer's best interest to pay their tax liabilities as soon as possible in order to avoid higher interest charges.

4.2 From **1 April 2005 to 30 June 2009** interest is charged at a daily rate of:

- IT, CT and CGT - 0.0273%
- PAYE/PRSI/USC/LPT, VAT and RCT - 0.0322%

The Finance Act 2009 reduced interest rates from the **1 July 2009** as follows:

- IT, CT and CGT - 0.0219%
- PAYE/PRSI/USC/LPT, VAT and RCT - 0.0274%

4.3 The current practice is that interest is not charged where the payment is made before the end of the due month. If the payment is made after the due month then interest is charged from the day after the due date.

Example: January/February VAT due date: 19 March

Paid on/before 31 March: No interest charged

Paid after 31 March: Interest charged from 20 March.

5. When should a Warning Letter issue?

The following material is either exempt from or not required to be published under the Freedom of Information Act 2014.

[...]

6. Interest on Late Payment is charged on the following types of payments

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[...]

7. Charging Interest on Late Payment

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[...]

8. Collection of Interest on Late Payment

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[...]

9. Charging Interest on Direct Debit cases

- 9.1 Revenue recognises that it is not always possible to pay the exact amount of VAT or PAYE/PRSI/USC/LPT through Direct Debit. However, there is a requirement that at least 90% of PAYE/PRSI/USC/LPT and 80% of VAT would be paid by Direct Debit throughout the year.
- 9.2 Interest is charged where cases fail to pay the balancing payment on time:
- If sufficient tax has been paid through the Direct Debit system, i.e. at least 90% of PAYE/PRSI/USC/LPT and 80% of VAT then such late balancing payments are not considered a 'Balloon Payments' and ILP is charged as per normal guidelines.
 - Where cases fail to pay sufficient tax through the Direct Debit system then the balancing payments are treated as 'Balloon' payments.
- 9.3 The Finance Act 2001 amended the legislation governing the charging of interest. ILP charges can now be backdated to six months from the VAT year-end due date and the 31/07 for PREM when a balloon payment is made.
- 9.4 Taxpayers have the option of having the interest charge re-calculated as if they were not on Direct Debit.

Ref: [Appendix 6](#) – Examples 3 & 4

[Appendix 7](#) – Example 3.

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10. Exceptions to charging Interest on Direct Debit/Balloon Payment cases

- 10.1 Current policy is not to charge ILP on Direct Debit underpayment balances that are paid within the due month.
- 10.2 ILP is not charged in cases that under-pay Direct Debit and submit a payment in the period before the last Direct Debit payment is made, so that by the due date the amount paid is sufficient:
- **PREM** (due date 14/1) last DD is end of Jan, if payment is made in December (month before last DD payment is due) then balloon interest is not charged.
 - **VAT** (due date 19/8) year-end July, last DD would be due end of August, if payment is made in July (month before last DD payment is made) then balloon interest is not charged.
- 10.3 Supplementary P35's in respect of a Director's unpaid remuneration should continue to be accepted without the imposition of interest charges provided that such payments are received within the time limits laid down in S.996 TCA 1997.
- 10.4 Payments submitted under S.985B PAYE/PRSI/USC/LPT settlement agreements are not subject to interest charges provided they are received within the time limits laid down in S.985B TCA 1997.

11. Directors Fees

- 11.1 Section 996, Taxes Consolidation Act, 1997 governs the treatment for tax purposes of certain **unpaid** remuneration. i.e. fees/bonus.
- 11.2 The DM caseworker will need to know the following:
- The company's accounting year-end
 - The year to which the unpaid remuneration relates
 - The date the unpaid remuneration was paid
 - The amount of PAYE/PRSI/USC/LPT applicable to the unpaid remuneration
- 11.2 If the unpaid remuneration is paid **within six months** of the company's accounting year end (provided the accounting period does not exceed 12 months), then interest will not be charged if the tax due is paid by the 14th day of the month following the P30 period in which the unpaid remuneration is paid.

Example:

- If the company has an accounting year end of 30/06/2018
- The unpaid remuneration is subsequently paid on 31/08/2018, the "due date" for payment of PAYE/PRSI/USC/LPT is 14/09/2018
- If the tax due is paid on 30/10/2018, then interest is chargeable, under Section 991 of TCA, 1997, from 14/09/2018 (due date) to 30/10/2018 (date of payment)

- 11.3 If the unpaid remuneration is paid **later than six months after** the company's accounting year end, then the due date for payment of PAYE/PRSI/USC/LPT is the 14th day of the month following the P30 period in which the last day of the accounting year falls. Example:
- The company has an accounting year-end 31/12/2018
 - The unpaid remuneration is subsequently paid on 31/08/2019 then due date for PAYE/PRSI/USC/LPT is 14/01/2019
 - Interest is chargeable under Section 991 of TCA 1997 from 14/01/2019 (due date) to 30/8/2019 (date of payment).
- 11.4 Where the company accounting period exceeds 12 months, paragraph 7 of [Tax and Duty Manual Part 42-04-23](#) determines the dates on which unpaid remuneration is deemed to have been paid.
- 11.5 There is a statutory obligation on an employer under Section 985 of TCA, 1997 to deduct and remit tax "on the making of any payment of any emoluments" to an employee. If for some reason an employer "misclassifies" or does not treat the payments as emoluments then the provisions of Section 991 of TCA, 1997 will apply.

12. PAYE/PRSI/USC/LPT Settlement Agreements

- 12.1 Section 985B, TCA, 1997 governs the treatment for tax of PAYE/PRSI/USC/LPT settlement agreements.
- 12.2 Where emoluments are minor and irregular the employer can apply to pay the tax on these amounts on behalf of the employee under the following conditions:
- The application must be made by 31 December in the year in which they occur
 - They must be paid within 46 days of 31 December, e.g.:
 - Application for 2017
 - Payment due before 15th February 2018

Appendix 1: Issue a Warning Letter for Interest on Late Payment

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Appendix 2: General Charging of ILP

The following material is either exempt from or not required to be published under the Freedom of Information Act 2014.

[...]

Appendix 3: Procedure for Charging Interest on “Balloon Payments” through ICM

The following material is either exempt from or not required to be published under the Freedom of Information Act 2014.

[...]

Appendix 4: Methods of Reviewing/Satisfying ILP Charges

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[...]

Appendix 5: Due Dates

Monthly VAT, PAYE/PRSI/USC/LPT and RCT

The due dates for payment of VAT, PREM and RCT are as follows:

- VAT** Due on the **19th** of the month following the end of the bi-monthly VAT period (e.g. January/February due on 19th March)
- PREM & RCT** Due on the **14th** of the month following the end of tax period (e.g. January liability due on 14th February).
- ROS** The due dates have been extended to the **23rd** of the month following the end of the tax period for those who **FILE and PAY on ROS**.

PREM Quarterly, VAT Bi-Annual and Tri-Annual Remitters.

PREM Quarterly Remitters must submit P30 Returns and payments on a quarterly basis, by the **14th of the month following the end of the quarter**. For example, the return for the quarter 1st January to 31st March must be submitted with the appropriate payment by 14th April.

In addition to four quarterly P30's and payments, the **P35 due date is 15th February**.

VAT Bi-Annual remitters must submit their Bi-Annual VAT 3 and payments by **19th of the month following the end of the period**, e.g. the July–December return and payment must be submitted by 19th January.

VAT Tri-Annual remitters must submit their Tri-Annual VAT returns and payments by the **19th of the month following the end of the period**, e.g. September-December return and payment must be submitted by 19th January.

ROS: The due dates have been extended to the 23rd of the month following the end of the tax period for those who FILE and PAY on ROS.

Self-Assessed Taxes (IT, CT and CGT)

Interest is charged when

- An insufficient amount of Preliminary Tax is paid or
- The Preliminary Tax is paid late.
- When the balancing payment is paid late.

Income Tax:

Date	Event
31 October 2010 onwards	IT Return filing deadline for previous year; Due date for balance of IT tax for previous year; Due date for IT Preliminary Tax for current year;
November 2010 (and subsequent years)	Taxpayers who pay and file their return electronically through the Revenue On-Line System (ROS) have until midnight on a specified date in November.

To avoid an Interest Charge the minimum Preliminary Tax payment is:

- 90% of the final tax liability for the current year
- 100% of final tax liability for the previous year, or
- **For Direct Debit cases only:** 105% of the final tax liability of the pre-preceding year (this option does not apply where the Income Tax liability for the pre-preceding tax year is NIL).

If insufficient Preliminary Tax is paid or if it is paid late then the due date for the full amount of the tax reverts to the date the Preliminary Tax should have been paid.

Capital Gains Tax:

15 December 2009 and every year thereafter	CGT payment date in respect of chargeable gains (disposals) from 1 Jan. 2009 to 30 Nov. 2009 inclusive.
31 January 2010 and every year thereafter	CGT payment date in respect of chargeable gains (disposals) from 1 Dec. 2009 to 31 Dec. 2009 inclusive.

As there are two periods for CGT each year, the due date for the full payment of the tax will depend on when the disposal was made.

Corporation Tax:

When deciding on whether the company has satisfied the Preliminary Tax rules it is important to be aware if the company is a large or small company.

A **small company** is one where the Corporation tax liability for the preceding chargeable period does not exceed €200,000. (S.959 AM (4) of TCA 1997).

A **large Company** is one where the Corporation Tax liability for the preceding chargeable period is greater than €200,000.

Corporation Tax: (Small Company)

Accounting Period end 31/12	1st Instalment	Small Companies	2nd Instalment
2006 onwards	90% of tax liability for accounting period to be paid by 21/11	100% of liability for previous year, if lower.	Balance payable on date return is due. In this case 21/9.

The **Preliminary Tax** is due to be paid on the **21st day of the month preceding the accounting year-end.**

The **Annual Return** must be submitted with **payment of any balance of tax due**, no later than **9 months** after the A/c period ends or by the **21st of the 9th month**, if earlier.

Corporation Tax: (Large Company)

Accounting period ending	1 st Instalment Date	2nd Instalment Date
15 th Oct. 2012	Due 21 st April 2012 Must pay either 50% of the previous A/c period OR 45% of the current A/c period whichever is lower.	Due 21 st Sept. 2012 An amount that, when added to the first instalment is equal to or greater than 90% of the tax for the chargeable period.

- The first instalment of Preliminary Tax is due to be paid on the 21st day of the sixth month of the accounting year.
- The second instalment is then due on the 21st day of the month preceding the accounting year-end.

- The Annual Return must be submitted with payment of any balance of tax due, no later than 9 months after the A/c period ends or by the 21st of the 9th month, if earlier.
- In accordance with previous practice, Preliminary Tax reminder letters will issue to companies in advance of the due dates for payment of instalments of Preliminary (Corporation) Tax. These letters will incorporate the relevant payslips for payment of the Preliminary Tax.
- The only exception to the 90% Preliminary Corporation Tax rule applies to ‘**Top up**’ payments – **See below.**

“Top up” Payments

Because the first instalment of Preliminary (Corporation) Tax has to be paid before the end of the accounting period, a special provision applies to cater for the situation where additional liabilities arise in the form of chargeable gains on disposals in the final month of the accounting period. In these circumstances a company may make a “top-up” of Preliminary (Corporation) tax.

A company will be regarded as having met its Preliminary Tax obligations if it correctly pays the first instalment of Preliminary (Corporation) Tax exclusive of the gains in the final month, and makes a top up payment one month after the end of the accounting period to bring total payments up to the required level.

Appendix 6: Interest Calculation on End of Year VAT Returns

Example 1 – Balance on Annual Return less than 20% - Paid Late

- Annual Accounting Period 1 January 2012 to 31 December 2012
- Due date for Annual Return and balancing payment is 19 January 2013
- 12 Direct Debit payments of €11,000 = €132,000
- Annual Return for €160,000 with balancing payment of €28,000 submitted on 12 April 2013.
- The Balancing payment of **€28,000 is 17.5%** of total liability for the year
- Interest is chargeable on €28,000 from the 19 January 2013 to 12 April 2013
- Interest is calculated at a daily rate of 0.0274%
- **84 days interest = €644.44**

Example 2 – Balance on Annual Return exceeds 20%

- Annual Accounting Period 1 January 2012 to 31 December 2012
- Due date for Annual Return and balancing payment is 19 January 2013
- Direct Debit payments of €10,000 = €120,000.
- Annual Return for €160,000 with balancing payment of €40,000 submitted on 12 February 2013.
- Balancing payment of **€40,000 is 25%** of the total liability for the year
- Interest is chargeable on €40,000 from 19 July 2012 to 12 February 2013
- Interest is calculated at a daily rate of 0.0274%
- **208 days interest chargeable = €2,279.68**

Example 3 - Balance on Annual Return exceeds 20% and Taxpayer opts to have the Interest Charge calculated as if Direct Debit had not applied

- Annual Accounting Period 1 January - 31 December 2012
- Due date for Annual Return and balancing payment is 19 January 2013
- **12 Direct Debit payments of €10,000 = €120,000.**
- Annual Return for €160,000 submitted on 12 February 2013 with balancing payment of €40,000
- Original interest charge is €2,279.68 (See [Example 2](#) above)

Period	Bi-monthly Return	DD Payments	Underpaid	Days Late * Interest Rate	Interest
Jan/Feb 2012	€21,000	€10,000 €10,000	€1,000	330*0.0274 = 9.04%	€90.42
Mar/Apr 2012	€22,000	€10,000 €10,000	€2,000	269*0.0274 = 7.37%	€147.41
May/Jun 2012	€24,000	€10,000 €10,000	€4,000	208*0.0274 = 5.70%	€227.97
July/Aug 2012	€27,000	€10,000 €10,000	€7,000	146*0.0274 = 4%	€280.03
Sept/Oct 2012	€30,000	€10,000 €10,000	€10,000	85*0.0274 = 2.33%	€232.90
Nov/Dec 2012	€36,000	€10,000 €10,000	€16,000	24*0.0274 = .66%	€105.22
Balancing Payment		€40,000			
Total Interest					€1,083.94

- Interest is calculated on the shortfall from the due date of each bi-monthly period to the date the balancing payment was submitted e.g. Jan/Feb 2012 due 19 March 2012, paid 12 February 2013.
- Total interest chargeable €1,083.94
- The interest charge is reduced to €1,083.94, as it is less than €2,279.68 originally charged.

Example 4 – Balance on Annual Return exceeds 20% and Taxpayer opts to have the Interest Charge calculated as if Direct Debit had not applied

This example deals with the situation which can arise where:

- A taxpayer has overpaid for part of the year and underpaid for the remainder.
- Annual Accounting Period 1 January - 31 December 2012
- Due date for Annual Return and balancing payment is 19 January 2013
- **12 Direct Debit payments of €10,000 = €120,000.**
- Annual Return for €160,000 with balancing payment of €40,000 submitted on 12 February '13.
- Original interest charge is €2,279.68. (See [Example 2](#) above)

Period	Bi-monthly Return	DD Payment	(Overpaid)/ Underpaid	Net Amt (Overpaid)/ Underpaid	Days Late * Interest Rate	Interest
Jan/Feb 2012	€19,000	€10,000 €10,000	(€ 1,000)	(€1,000)	No Interest	
Mar/Apr 2012	€18,000	€10,000 €10,000	(€ 2,000)	(€3,000)	No Interest	
May/Jun 2012	€2,000 repayable	€10,000 €10,000	(€22,000)	(€25,000)	No Interest	
July/Aug 2012	€28,000	€10,000 €10,000	€ 8,000	(€17,000)	No Interest	
Sept/Oct 2012	€49,000	€10,000 €10,000	€29,000	€12,000	85*0.0274 = 2.33%	€279.48
Nov/Dec 2012	€48,000	€10,000 €10,000	€28,000	€28,000	24*0.0274 = 0.66%	€184.13
Balancing payment		€40,000				
Total Interest						€463.61

- No interest charge arises for the periods Jan/Feb to Jul/Aug as the cumulative Direct Debit payments made in the period exceed the cumulative tax payable.
- Bi-monthly return for the period Sept/Oct 2012 amounts to €49,000.
- Allowing for Direct Debit payments up to the end of Oct this leaves a shortfall of €12,000 on the year thus far.
- Total interest chargeable = €463.61
- Interest would be reduced to €463.61
- In a case like this where the overpayments largely balance the underpayments consideration should be given to waiving the interest charge. Consult with manager in such cases.

Appendix 7: Interest Calculations on End of Year PAYE/PRSI/USC/LPT Returns

Example 1 - Balance with P35 less than 10% of PAYE/PRSI/USC/LPT Liability due for the Year – Paid Late

- Year of assessment 2012 (01/01/2012 to 31/12/2012)
- Due date for P35 - 15 Feb. 2013, due date for payment - 14 Jan. 2013
- **12 Direct Debit Payments of €12,500 = €150,000**
- P35 for €160,000, balancing payment of €10,000 submitted 14 Feb. 2013.
- Balancing payment of €10,000 is 6.25% of P35 liability for the year.
- Interest is chargeable on €10,000 from 14 Jan. 2013 to 14 Feb. 2013.
- Interest is calculated at a daily rate of 0.0274%
- 1 months (31 days) interest chargeable = **€84.94**

Example 2 - Balance with P35 more than 10% of PAYE/PRSI/USC/LPT Liability due for the Year

- Year of assessment 2012 (01/01/2012 – 31/12/2012)
- Due date for P35 is 15 February 2013, due date for payment 14 January 2013.
- **Direct Debit Payments of €11,250 = €135,000**
- P35 for €160,000, balancing payment of €25,000 submitted 14 February 2013
- Balancing payment of €25,000 is 15.63% of P35 liability for the year
- Interest chargeable on €25,000 from 31 July 2012 to 14 February 2013
- Interest is calculated at a daily rate of 0.0274%
- 198 days interest chargeable = **€1,356.30**

Example 3 – Balance on Annual Return exceeds 10% and Taxpayer opts to have the Interest Charge calculated as if Direct Debit had not applied

- Year of assessment 2012 (01/01/2012-31/12/2012)
- Due date for P35 - 15 February 2013, Due date for payment 14 January 2013
- P35 for €160,000, balancing payment of €25,000 submitted 14 February 2013.
- **Original interest charge is €1,356.30 (See [Example 2](#) above).**

Period	Actual P30 Amount Due	DD Payment	Underpaid	Days Late * Interest Rate	Interest
January	€11,250	€11,250	nil	No Interest	nil
February	€11,250	€11,250	nil	No Interest	nil
March	€11,250	€11,250	nil	No Interest	nil
April	€13,250	€11,250	€2,000	276*0.0274 = 7.56%	€151.25
May	€13,250	€11,250	€2,000	245*0.0274 = 6.71%	€134.26
June	€13,250	€11,250	€2,000	215*0.0274 = 5.89%	€117.82
July	€13,250	€11,250	€2,000	184*0.0274 = 5.04%	€100.82
Aug	€14,250	€11,250	€3,000	153*0.0274 = 4.19%	€125.77
Sept	€14,250	€11,250	€3,000	123*0.0274 = 3.37%	€101.11
Oct	€14,250	€11,250	€3,000	92*0.0274 = 2.52%	€ 75.62
Nov	€14,250	€11,250	€3,000	62*0.0274 = 1.7%	€ 50.96
Dec	€16,250	€11,250	€5,000	31*0.0274 = .85%	€ 42.47
Balancing Payment		€25,000			
Total Interest					€900.09

- Interest is calculated on the shortfall from the due date of each monthly period to the date the balancing payment was submitted e.g. May P30 due 14th June 2011, paid 14th February 2012.
- Interest is calculated at a daily rate of 0.0274%.
- Total interest chargeable is €900.09
- The interest charge is to be reduced to €900.09 as this amount is less than the €1,356.30 originally charged.

Appendix 8: Interest Letters for Re-calculated Balloon Payments

Recalculation Letter where Interest Charged on VAT Increased

Registration Number(s):

Name:

Address:

VAT Interest on Late Payment Charge

Dear Sir/Madam,

I refer to your recent letter requesting the recalculation of interest charged for the annual accounting period dd/mm/20yy-dd/mm/20yy. On the basis of the information supplied by you, the interest has been recalculated. The interest charge determined by this method is greater than the interest charge of € Y originally notified to you. Accordingly the original charge still applies.

Payment should be made through the Revenue Online Service (ROS) **or, where you have not been advised by Revenue that you must file your returns and make your tax payments via ROS, you may, if you wish, make the payment by cheque [payable to The Collector-General]** and send it to the address shown above with a copy of this letter.

In order to continue using the direct debit system and to avoid the expense of further interest charges, if you have not already done so, you should now arrange to increase the amount of your monthly direct debit so that the amounts you currently pay by direct debit are likely to be sufficient to cover your annual VAT liability. In order to make this change you should amend your direct debit monthly payments by using the Revenue Online Services (ROS). Failure to make sufficient payments will result in removal from the direct debit scheme.

Failure to pay interest charges will result in the enforcement of collection.

Yours faithfully,

Caseworker Name

Telephone:

Extn:

Direct Line:

Ref:

Recalculation Letter where Interest Charged on VAT Reduced

Registration Number(s):**Name:****Address:****VAT Interest on Late Payment Charge**

Dear Sir/Madam,

I refer to your recent letter requesting the recalculation of interest charged for the annual accounting period dd/mm/20yy-dd/mm/20yy. On the basis of the information supplied by you, the interest has been recalculated. As the recalculated interest amount is less than the original the interest charge has accordingly been reduced. The revised interest amount is € x.

Payment should be made through the Revenue Online Service (ROS) **or, where you have not been advised by Revenue that you must file your returns and make your tax payments via ROS, you may, if you wish, make the payment by cheque [payable to The Collector-General]** and send it to the address shown above with a copy of this letter.

In order to continue using the direct debit system and to avoid the expense of further interest charges, if you have not already done so, you should now arrange to increase the amount of your monthly direct debit so that the amounts you currently pay by direct debit are likely to be sufficient to cover your annual VAT liability. In order to make this change you should write to, fax (065-9054998) or e-mail the Collector-General through [MyEnquiries](#) stating your VAT registration number and providing details of the change required. Failure to make sufficient payments will result in removal from the direct debit scheme.

Failure to pay interest charges will result in the enforcement of collection.

Yours faithfully,

Caseworker Name**Telephone:****Extn:****Direct Line:****Ref:**

Recalculation Letter where Interest Charged on PAYE/PRSI/USC/LPT Increased

Registration Number(s):**Name:****Address:****Interest charge - late payment of PAYE/PRSI/USC/LPT – year of assessment 20yy**

Dear Sir/Madam,

I refer to your recent letter requesting the recalculation of interest charged for the year of assessment 20yy. On the basis of the information supplied by you, the interest has been recalculated. The interest charge determined by this method is greater than the interest charge of €y originally notified to you. Accordingly, the original charge still applies.

Payment should be made through the Revenue Online Service (ROS) **or, where you have not been advised by Revenue that you must file your returns and make your tax payments via ROS, you may, if you wish, make the payment by cheque [payable to The Collector-General]** and send it to the address shown above with a copy of this letter.

In order to continue using the direct debit system and to avoid the expense of further interest charges, if you have not already done so, you should now arrange to increase the amount of your monthly direct debit so that the amounts you currently pay by direct debit are likely to be sufficient to cover your annual PAYE/PRSI/USC/LPT liability. In order to make this change you should amend your direct debit monthly payments by using the Revenue Online Services (ROS). Failure to make sufficient payments will result in removal from the direct debit scheme.

Yours faithfully,

Caseworker Name**Telephone:****Extn:****Direct Line:****Ref:**

Recalculation Letter where Interest Charged on PAYE/PRSI/USC/LPT Reduced

Registration Number(s):**Name:****Address:****Interest charge - late payment of PAYE/PRSI/USC/LPT – year of assessment 20yy**

Dear Sir/Madam,

I refer to your recent letter requesting the recalculation of interest charged for the year of assessment 20yy. On the basis of the information supplied by you, the interest has been recalculated. As the recalculated interest amount is less than the original the interest charge has accordingly been reduced. The revised interest amount is € x.

Payment should be made through the Revenue Online Service (ROS) **or, where you have not been advised by Revenue that you must file your returns and make your tax payments via ROS, you may, if you wish, make the payment by cheque [payable to The Collector-General]** and send it to the address shown above with a copy of this letter.

If you wish to avoid future interest charges, you should ensure that the correct amount of PAYE/PRSI/USC/LPT is paid with the P30 return each month. If you are paying by direct debit, and you have not already done so, you should arrange to increase the amount of your monthly direct debit so that the amounts you pay by direct debit are likely to be sufficient to cover your ongoing PAYE/PRSI/USC/LPT liability. In order to make this change you should write to, fax (065-9054998) or e-mail the Collector-General through MyEnquiries stating your PAYE/PRSI/USC/LPT registration number and providing details of the change required. Failure to make sufficient payments will result in removal from the direct debit scheme.

Yours faithfully,

Caseworker Name**Telephone:****Extn:****Direct Line:****Ref:**