

Income Tax on payments by resident companies

Part 08-01-03

This document should be read in conjunction with section 239 and section 240 of the Taxes Consolidation Act 1997

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1 Introduction

This manual outlines the relevant provisions that apply to payments by resident companies.

2 Payments made and received by a company

Sections 239 and 240 provide the machinery by which a company –

- (a) Accounts for income tax due in respect of any “relevant payment” made by the company; and
- (b) Is repaid income tax in respect of payments received by the company.

The sections apply only to companies resident in the State and only to payments and income received by a company on its own behalf. In regard to payments made under deduction of income tax by companies not resident in the State, please see Tax and Duty Manual [Part 08-01-02](#).

Revenue will not apply section 239 and section 240 in certain circumstances. For example, where a limited company is the trustee of a superannuation fund, payments made out of the trust fund in the company’s capacity as trustee and taxed income received on behalf of the trust should be dealt with in accordance with normal income tax principals and excluded from the company’s return under these sections.

See also Tax and Duty Manual [Part 13-02-04](#) - Section 438 TCA 1997 (Loans to Participators) and Preliminary Corporation Tax.