

Part 18C-00-01

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This document should be read in conjunction with Part 18C of the Taxes Consolidation Act 1997

A more recent version of this manual is available.

Domicile Levy (Part 18C)

1. The Domicile Levy was introduced in **section 150 Finance Act 2010** which inserted a new Part (**Part 18C**) into the Taxes Consolidation Act 1997. It applies for the year 2010 and subsequent years.

2. The levy applies to individuals who are Irish-domiciled and are Irish citizens –

- whose world-wide income exceeds €1m,
- whose Irish property is greater in value than €5m, and
- whose liability to Irish tax in a relevant year was less than €200,000.

For the year 2012 and subsequent years, the requirement that an individual be an Irish citizen no longer applies.

3. The amount of the levy is €200,000 and is payable annually. Irish income tax paid by an individual in a tax year is allowed as a credit in calculating the amount of Domicile Levy due for that year. In this context, it should be noted that **Income Levy** and **Universal Social Charge (USC)** are separate and distinct taxes to income tax and are not, therefore, allowable as credits in calculating the amount of Domicile Levy for any year. In addition, **Pay Related Social Insurance (PRSI)** and **the Health Levy** are not allowable as a credit against Domicile Levy because they are not income tax.

4. The levy is payable each year on or before 31 October in the year following the valuation date on a self-assessment basis. The valuation date is 31 December each year. However, in order to facilitate individuals who are paying the balance of the income tax due for the year to which Domicile Levy relates using the Revenue On-Line Service (ROS) and who wish to avail of the credit for income tax payable against Domicile Levy, the Pay and File deadline for Domicile Levy is extended to coincide with the Pay and File deadline for payment of the balance of income tax due using ROS.

5. The term “Irish property” means all property located in the State to which an individual is beneficially entitled in possession, but does not include –

- shares in a company which exists wholly or mainly for the purpose of carrying on a trade or trades, or
- shares in a holding company which derive their value from subsidiaries which wholly or mainly carry on a trade or trades.

6. The term “world-wide income” means essentially an individual’s gross income without regard to exemptions or reliefs. **Section 79 Finance Act 2017**, clarifies that capital allowances or losses forward are not allowed as a deduction in computing an individual’s world-wide income. Certain maintenance payments are, however, allowed as a deduction in computing an individual’s world-wide income.

- 7.** Shares deriving the whole or the greater part of their value directly or indirectly from property located in the State are treated as Irish property for the purpose of the Levy.
- 8.** No deduction is allowed from the market value of property for any debts or encumbrances (e.g. mortgages or other loans).
- 9.** The legislation contains anti-avoidance provisions which treat property which was transferred by an individual on or after 18 February 2010 for less than market value to that individual's spouse, civil partner, minor children, discretionary trust or foundation as the transferor's property on each relevant valuation date.
- 10.** The provisions of the Taxes Consolidation Act 1997 relating to appeals, penalties and interest charged on outstanding tax apply to Domicile Levy as they apply to income tax. **Section 85 Finance Act 2014** amends **Section 531AF TCA 1997** to enable the Revenue Commissioners:
- To issue a notice requesting an individual to deliver a return in respect of Domicile Levy, together with a payment of the Levy, within 30 days of the date of the notice – where they have reason to believe that an individual is liable to the Levy for any year.
 - To impose a penalty – where an individual who is required to deliver a return in respect of the Levy fails to do so, or where the individual deliberately or carelessly makes an incorrect return in respect of the Levy.
- 11.** Failure to pay the Levy, or failure to pay it on time, can result in enforced collection through the Sheriff, Court proceedings or Attachment. Interest will be charged on outstanding Domicile Levy at the rate of 0.0219% per day or part of a day.

A [Domicile Levy Return form](#) relating to the Levy is available on the Revenue website.