ROS Form CT1 2019

Corporation tax return for accounting periods ending in 2019

Part 38-02-01

Document created September 2019

The information in this document is provided as a guide only and is not professional advice, including legal advice. It should not be assumed that the guidance is comprehensive or that it provides a definitive answer in every case.
Table of Contents

1 Summary ......................................................................................................................................3
2 Help in completing ROS CT1.........................................................................................................3
3 Selecting Accounting Period ........................................................................................................4
  3.1 Changing accounting period ......................................................................................................4
4 Company Details ..........................................................................................................................5
  4.1 Form CT1 contains values in excess of €1 billion.......................................................................5
  4.2 Transactions with non-cooperative jurisdictions.......................................................................6
  4.3 Country of Residence .................................................................................................................7
  4.4 Deferral of exit tax - Election under S 629(2) (changed from S 628A) .......................................8
  4.5 Section 110 ................................................................................................................................9
  4.6 Directors’ loans – pre-population ..............................................................................................9
  4.7 Qualifying Investment .............................................................................................................10
  4.8 Controlled Foreign Company ...................................................................................................10
5 Trading Results...........................................................................................................................12
  5.1 iXBRL text .................................................................................................................................12
  5.2 Capital allowances ...................................................................................................................12
    5.2.1 Machinery and Plant ...........................................................................................................12
    5.2.2 Industrial Buildings .............................................................................................................12
  5.3 Trading Results – relevant trade within the meaning of section 291A....................................13
  5.4 Excepted trade profits (Section 21A TCA 1997 at 25%)...........................................................13
6 Irish Rental Income ....................................................................................................................14
  6.1 Validation .................................................................................................................................14
7 Capital Gains ..............................................................................................................................14
  7.1 Losses .......................................................................................................................................14
  7.2 Section 627 Exit Tax ..................................................................................................................15
8 Film Corporation Tax Credit .......................................................................................................15
9 Capital Gains (Development Land).............................................................................................16
10 Property based incentives ..........................................................................................................16
11 46G accounting period ............................................................................................................17
12 Display issue in ROS offline......................................................................................................17
1 Summary

This Manual contains information about the Form CT1 2019.

The corporation tax return for accounting periods ending in 2019 is available for filing through ROS online and ROS offline, since 23 March 2019. The updates to the 2019 version are summarised for the highlighted panels.

<table>
<thead>
<tr>
<th>Company Details</th>
<th>1</th>
<th>Updated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trading Results</td>
<td>2</td>
<td>Updated</td>
</tr>
<tr>
<td>Extract from Accounts</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Irish Rental Income</td>
<td>4</td>
<td>Updated</td>
</tr>
<tr>
<td>Irish Investment &amp; Other Income</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Foreign Income</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Exempt Profits</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Capital Gains</td>
<td>8</td>
<td>Updated</td>
</tr>
<tr>
<td>Chargeable Assets</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Deductions, Reliefs &amp; Credits</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Research &amp; Development Credit</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>Film Corporation Tax Credit</td>
<td>12</td>
<td>Updated</td>
</tr>
<tr>
<td>Capital Gains (Development Land)</td>
<td>13</td>
<td>Updated</td>
</tr>
<tr>
<td>Close Company Surcharge</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>Recovery of Income Tax</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>Dividend Withholding Tax</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>Calculate</td>
<td>17</td>
<td></td>
</tr>
<tr>
<td>Property Based Incentives</td>
<td>18</td>
<td>Updated</td>
</tr>
<tr>
<td>CT Self Assessment</td>
<td>19</td>
<td></td>
</tr>
<tr>
<td>CGT Self Assessment</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Print View</td>
<td>21</td>
<td></td>
</tr>
</tbody>
</table>

Figure 1  Summary of ROS CT1 ‘panels’

2 Help in completing ROS CT1

Help notes are available by clicking on the “form help” icons on the ROS form CT1.
3 Selecting Accounting Period

3.1 Changing accounting period

Filers are required to select the CT1 return to be filed, which is done by selecting the return for the relevant period. When opening a Form CT1 – either in the Client Services screen, the Services screen or when downloading a pre-populated ROS offline form - the period select screen is displayed.

The period select screen shows the accounting periods for which a form CT1 is expected. If a filer wishes to file a return for a period different to that shown in the dropdown options; as a first step the filer should select the period from the dropdown list in which the accounting period ends.

For example, in Figure 2 above, the periods shown are 1 May 2017 to 30 April 2018 and 1 May 2018 to 30 April 2019. If the return to be filed is for the accounting period 1 May 2018 to 31 March 2019, select the period ending on the 30 April 2019 as indicated by the highlight in Figure 2 above.

When that period is selected (that return is opened), the filer is able to enter the ‘new’ start and/or end date in the company details panel of the CT1, as per Figure 3 below.
The Form CT1 submitted is for the period entered in the form and not the period initially selected, if different, as per Figure 4 below:

![Figure 4](image)

**Figure 4** CT1 Acknowledgement reflecting the accounting period submitted in the CT1 return

**Note:**
(i) a filer cannot file a return for a period which overlaps with an existing return,
(ii) if a return was already filed, the accounting dates are not editable in ROS amend mode. If the accounting period submitted was not correct and needs to be changed, a filer needs to contact Revenue.

### 4 Company Details

#### 4.1 Form CT1 contains values in excess of €1 billion

A new question has been added as per Figure 5 below:

![Figure 5](image)

**Figure 5** Additional question re values in excess of €1bn

If ‘No’ is selected but the filer subsequently enters values in excess of €1 billion, an error message will be shown when the filer attempts to save the form.
4.2 Transactions with non-cooperative jurisdictions

A new section has been added to capture transactions with jurisdictions considered to be non-cooperative for tax purposes. The EU list of non-cooperative jurisdictions is available on the Revenue website.

Figure 6 Error message if values exceed €1 bn

Figure 7 New section for transactions with non-cooperative jurisdictions
4.3 Country of Residence

A dropdown list of all countries has replaced the text box in questions where the country of residence is requested.

![Dropdown options for country of residence](image)

Figure 8: Dropdown options for country of residence
4.4 Deferral of exit tax - Election under S 629(2) (changed from S 628A)

The legislative reference is updated and minor changes to this section as per Figure 9.

**Figure 9** Updates to exit tax deferral section

---

Election under Sec. 629(2)

If you are making an election under Sec 629(2) please tick the box and provide the requested information.

(I) The migration date

(II) The relevant territory to which the migrated assets were transferred

(III) The amount of tax

Under Sec.629(5)(b) you are obliged to make an annual statement to the Revenue Commissioners. This statement which can be downloaded from www.revenue.ie/en/ should be submitted using MyEnquires. In order to direct the statement to the correct office you should enter exitaxstatement@revenue.ie in the “for the attention of” (FAQ) field on the MyEnquiries screen.
4.5 Section 110
Two questions have been added, highlighted in red in Figure 10 below.

<table>
<thead>
<tr>
<th>Section 110 TCA 1997 - Qualifying Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicate if the company is a qualifying company within the meaning of Section 110 TCA 1997.</td>
</tr>
<tr>
<td>☐ Yes ☐ No</td>
</tr>
</tbody>
</table>

1. Do the qualifying assets include
   (i) specified mortgages as defined ☐ Yes ☐ No

4. If Yes at 2, provide the following information in respect of the specified property business:
   (a) Value of the specified mortgages as shown in the accounts €
   (b) Taxable profits of specified property business prior to any deductions available under Section 110(5A)(d) €
   (c) Amount of deductions permitted by-
      (vi) Section 110(5A)(d)(i)(IV) TCA 1997 €
      (vii) Section 110(5A)(d)(i)(V) TCA 1997 €

Figure 10 Updated questions for section 110 companies

4.6 Directors’ loans – pre-population
A change has been made to the way that the Current and Loan Accounts of Directors and Participators are pre-populated. The “Opening Balance” field will be taken from the “Closing Balance” field in the return for the preceding accounting period.
4.7 Qualifying Investment
A new section has been added to the return, as per Figure 11, to record qualifying investments.

![Qualifying Investments - Part 16 TCA 1997](image)

Figure 11 Additional section for reporting on qualifying investments

4.8 Controlled Foreign Company
A new section has been added to the Company Details panel for reporting of information on Controlled Foreign Companies (CFCs).

![Controlled Foreign Company](image)

Figure 12 Updated questions for controlled foreign companies

The following information is sought in respect of each CFC:
- Name of Controlled Foreign Company (CFC)
- Foreign Tax Identification Number
- Relevant territory of the CFC
- Accounting period of the CFC
Nature of business
Details of how control is established in the CFC in accordance with S 835J, including names of person(s) and percentage of shareholdings held
Details of any exemption that may apply?
  o Section 385R(5)(a)(i)(1): the arrangements would be entered into by persons dealing at arm’s length
  o Section 835R(5)(a)(ii): the arrangements are subject to the provisions of section 835C
  o Section 835R(5)(b): the undistributed income has previously been subject to a CFC charge
  o Effective Tax Rate Exemption
  o Low Profit Margin Exemption
  o Low Accounting Profit Exemption
  o Exempt Period Exemption. This section is not editable in the 2019 return.
    ▪ Exempt Period exemption granted in previous accounting period
    ▪ Where the subsequent period condition was not met, tick the box and provide the information
      ▪ Amount of charge arising
      ▪ Creditable tax
      ▪ Jurisdiction(s) where credit arose
      ▪ Nature of credit (e.g. Withholding tax)
      ▪ Amount of credit
      ▪ Net charge

Controlled Foreign Company charge (S 835R)
Details are required for charges arising at 12.5% and 25%.
Amount of charge arising
Creditable tax
Jurisdiction(s) where credit arose
Nature of credit (e.g. Withholding tax)
Amount of credit
Net charge. This is the amount that will be brought into charge in the assessment to corporation tax

Controlling company
Name of controlling company
Tax reference number of company if Irish

Connected company
Name of connected company
Tax reference number of company if Irish or the tax number of the Irish branch
5 Trading Results

5.1 iXBRL text

Text changes to clarify that cases managed in Large Corporates’ Division may avail of an iXBRL filing waiver where they meet the conditions set out under Options 4 and 5 of Part 2.49.

5.2 Capital allowances

5.2.1 Machinery and Plant

The wording of question (a) has been changed to reflect two additional questions, as highlighted in Figure 13.

![Figure 13 Updated questions on capital allowances](image)

5.2.2 Industrial Buildings

A question has been added to the Industrial Buildings section as highlighted in Figure 14.

![Figure 14 Updated questions on Industrial Buildings allowances](image)
5.3 Trading Results – relevant trade within the meaning of section 291A
A new section has been added as per Figure 15.

When this section is expanded, it will capture details of profits, losses, capital allowances and charges in respect of relevant trades. In previous years’ returns the income in respect of these trades was not captured separately.

5.4 Excepted trade profits (Section 21A TCA 1997 at 25%)
A new section is added for reporting of capital allowances in Excepted Trades, as shown in Figure 16:
6 Irish Rental Income

6.1 Validation

Two new warning messages will appear where:

- there are residential properties let and the gross rental income is “0”
- there are commercial properties let and the gross rental income is “0”.

Note that these are warning messages to alert filers to a possible error in the return. If the information is correct, you can click ‘OK’ and proceed to either save or sign and submit the return.

7 Capital Gains

7.1 Losses

The text has been changed to clarify that only losses forward from a prior accounting period available for offset against gains in this accounting period should be entered in the return, as per Figure 18.
7.2 Section 627 Exit Tax

A section is added for reporting of details where disposals under section 627.

![Figure 19 Updated reporting under section 627]

Figure 19 Updated reporting under section 627

Updated text is added at the end of the panel to record the amount of relevant tax deferred, as per Figure 20.

![Figure 20 Additional text relating to relevant tax deferred]

Figure 20 Additional text relating to relevant tax deferred

8 Film Corporation Tax Credit

The questions in this panel have been replaced with the following:

**Film Details**

(i) Date the cultural certificate was issued

(ii) Date the film was delivered
(iii)(a) Name of qualifying company
(iii)(b) Tax reference number of qualifying company
(iv) The total cost of production
(v) Eligible expenditure
   a. On employment of eligible individuals
   b. On provision of goods, services and facilities
(vi) Location of production
(vii) Type of production
(viii) Rate of film corporation tax credit
(ix) Film corporation tax credit
   a. Under section 481(2G)(b)(i)
   b. Under section 481(2G)(b)(ii)

9 Capital Gains (Development Land)
As exit tax does not apply to capital gains on development land, the relevant question at the end of the Capital Gains (Development Land) panel has been removed.

10 Property based incentives
A new section on buildings used for claims under section 843B has been added, as per Figure 21.

![Figure 21: New section for property incentives under section 843B]
11 46G accounting period

The 46G Company return must be filed for the same accounting period as the Form CT1. An updated version of the 46G Return Tool (spreadsheet) is available. This caters for periods ending in 2019 and for the 2018 year of assessment. Additional guidance on how to file 46G returns is documented in Tax and Duty Manual Part 38-03-13.

12 Display issue in ROS offline

User feedback has been given about a display issue in the CT Self-Assessment panel in ROS Offline; that column B is not visible.

![Figure 22 CT Self-Assessment panel](image-url)
A solution to this problem is contained in the **Something’s Not Working** section on [www.revenue.ie](http://www.revenue.ie).

The problem can be resolved by changing the compatibility settings for ROS Offline. To resolve the issue, right click on the ROS icon and select properties.

![Figure 23  Selecting 'Properties' on the ROS icon](image)
This will open the ROS Offline Properties dialogue box.
Select the Compatibility window/tab.
Click the checkbox to "Run this program in compatibility mode for: Windows XP (Service Pack 3)"
- click the checkbox to "reduced colour mode",
- click the checkbox "Run in 640 x 480 screen resolution",
- click "Disable display scaling on high DPI settings",
- click "Run this program as an administrator".
- Finally, click on ‘Apply’ and ‘OK’.

Figure 24  ROS Offline Properties dialogue box - Compatibility tab