

Tax E-News

Welcome to June's TAX E-News info sheet. Please contact us via the details above if you would like to discuss any of these issues further. And if you missed our feature article in The Sunday Business Postplease go to <https://bit.ly/2W7MLDk>

June
2019



Qualifying Disclosure

A qualifying disclosure is where a tax payer goes voluntarily to Revenue after receiving notification of the audit but in advance of an examination of books and records and discloses the underpayment of tax. This disclosure can in practice be made at the opening meeting of the audit where the Revenue Official usually asks the taxpayer if they wish to make a disclosure.

To be a qualify disclosure, Revenue has to be satisfied that the disclosure is complete in relation to all matters giving rise to the tax liability.

The disclosure needs to be in writing and contain a calculation of tax and interest together with a payment.

Revenue determines the tax-gearred penalty based on the category of tax default. Penalties range from 3% to 100% of the tax. The level of penalties vary also depending on whether there were previous disclosures within a five year period. There are various types of disclosure that can be made

depending on the type of tax default.

Tax default are categorised as follows:

1. Deliberate Behaviour
2. Careless Behaviour
3. Other Careless Behaviour

Deliberate Behaviour & Qualifying Disclosures

Deliberate behaviour is more akin to fraud and it is the most serious category of tax default. If the disclosure falls under the deliberate behaviour category, the taxpayer must state amounts of all tax liability in respect of all tax-heads and all periods that were previously undisclosed.

Prompted Disclosure & Careless Behaviour

Most disclosures and tax settlements fall within this category which relates to the underpayment of tax greater than 15% of total tax due. In the case of prompted Qualifying Disclosure in the 'careless behaviour' category tax default, the disclosure must state the amounts of all liabilities to tax and interest in respect of the relevant tax-head and periods within the scope of the audit.



Other Careless Behaviour

These are other defaults where the underpayment of the tax is less than 15% of the total liability.



Advantages of making a prompted Qualifying Disclosure

The main advantages of making a prompted qualifying disclosure are as follows:

- Avoidance of publication regardless of the size of the settlement.
- Mitigation of Penalties: There is a significant mitigation in penalties. For example, penalties are reduced from 100% to 50% for a first qualifying disclosure in the deliberate behaviour category and penalties are reduced from 40% to 20% for careless behaviour with significant consequences.
- Revenue will not initiate an investigation with a view to prosecution of the taxpayer in relation to the matter disclosed.

Summary

It is essential that the practitioner/agent understands the implications of various revenue interventions and are familiar with the Revenue code of practice.

KEY FILING DATES - JUNE 2019

TAX HEAD	RETURN	PERIOD	PAYMENT & FILING DATE
Dividend Withholding Tax	DWT	May 2019	14 th June 2019
Professional Services Withholding Tax (PSWT)	F30	May 2019	14 th June 2019
PAYE/PRSI/USC/LPT	Monthly Deductions	May 2019	23 rd June 2019
Corporation Tax	Preliminary tax	Accounting periods ending 31 st July 2019	23 rd June 2019
Corporation Tax	Corporation Tax Return (Form CT1)	Accounting periods ending 30 th September 2018	23 rd June 2019
Relevant Contracts Tax (RCT)	RCT Monthly Return	May 2019	23 rd June 2019
Corporation Tax	Returns of Third-Party Information (Form 46G)	Accounting periods ending 30 th September 2018	30 th June 2019
Corporation Tax	Close companies with undistributed profits	Accounting periods ending 31 st December 2017	30 th June 2019