



Guide to CAT Pay & File Deadline

The CAT Pay & File Deadline of 30 September 2011 has been confirmed.

There is no ROS extension for CAT.

A surcharge arises if CAT returns are late.

- 5% of the CAT due
- max of €12,695
- within 2 months
- 10% of the CAT due
- max of €63,485
- later than 2 months

Solicitors with a ROS Business Certificate can pay CAT from the client account using a ROS Debit Instruction (RDI).

On a ROS Agent Certificate CAT payment can only be made by Laser or Visa Debit. Visa Credit cards cannot be used.

An EFT is an option if a ROS payment cannot be made.

The Finance Act 2010 changed the administration of CAT. This article considers pay & file issues for CAT as the second pay & file deadline under the new system approaches.

Pay & File Deadline

Finance Act 2011 moved the CAT filing deadline to 30 September. Revenue issue a notice to taxpayers who may have to pay CAT and in 2011 these notifications referred to the old CAT filing deadline of 31 October 2011.

Practitioners should bear in mind that clients may have focused on a 31 October deadline. To avoid confusion Revenue is writing to beneficiaries to confirm the 30 September deadline and published eBrief 47 of 2011, available [here](#).

“Date of Death” Valuation Date

A “date of death” valuation date close to the CAT filing deadline may give very little time to arrange CAT funding. If the valuation date is 31 August 2011 the beneficiary has only 4 weeks to pay the tax. Classic examples of CAT “date of death” valuation dates include an inheritance by a surviving joint tenant, and an inheritance by a beneficiary who is in occupation of a property.

Late Filing Surcharge

A surcharge for the late filing of CAT returns was introduced in 2010. The surcharge is 5% of the CAT due (with a maximum of €12,695) if the return is filed within 2 months of the date on which it is due, and 10% if the return is filed more than 2 months late (with a maximum of €63,485).

Interest for Late Payment

Where CAT is paid late interest will accrue from 01 October to the date of payment. The rate of interest is 0.0219% per day, amounting to an annual interest rate of circa 8%.

Paper Returns

Paper IT38 returns can only be submitted if an absolute benefit is taken from a single disponer and no relief is claimed. Paper returns go to the Collector-General in Limerick.

Prior Benefits on Form CA24

If the prior benefits part of the beneficiary section (Part 8) is left blank in the Inland Revenue Affidavit (Form CA24) Revenue have no information on prior benefits. The Revenue practice is to enter a figure equal to the relevant threshold, so that the benefit is treated as giving rise to tax, triggering a notice from Revenue inviting a CAT return. Receipt of this letter does not indicate there is a CAT liability, but the beneficiary will need to file a CAT return. The issue can be avoided by entering “0” on the Form CA24 if there were no prior benefits.

Notices of Acknowledgement

Revenue no longer issue CAT clearance certificates as secondary liability now only arises with non resident beneficiaries, and CAT is no longer a charge on property.

Beneficiaries will not receive an automatic receipt for each CAT payment. Revenue will issue a Notice of Acknowledgement for the return and

Revenue may issue a personalised IT38 to a beneficiary setting out the beneficiary's name, address, PPSN, and the disponer's details. If the beneficiary does not have an obligation to file a return (e.g. the valuation date has not yet arisen) he can contact his Revenue Office to indicate that a return is not required, or he can indicate that no return is due on the personalised return, and send it back to Revenue without signing or completing it.

beneficiaries can get a Statement of Account as a record of the CAT paid. If Revenue levy a surcharge for late filing they will follow up with the issue of a Notice of Amended Assessment including the surcharge.

Options for Paying CAT

A beneficiary can approach Revenue to negotiate a statutory instalment arrangement, with the CAT being paid by agreed monthly instalments for a period agreed with Revenue (up to 5 years). In very exceptional circumstances Revenue may be willing to agree to another payment option, such as non-statutory instalments registration of the debt as a voluntary judgment mortgage.

ROS: "W" PPS Numbers

Practitioners cannot file a CAT return online if it includes one of the old "W" PPS numbers, as they are incompatible with the ROS CAT system. An application will have to be made to the Department of Social Protection (DSP) for a new PPS number (see below). The DSP has a fast-track procedure geared to issuing a replacement for a "W" number within a week. A new PPS number will not be recognised by the ROS system until it is brought "live" by notifying Revenue that the number has issued.

ROS: Paying CAT on ROS

There are two forms of ROS certificates that can issue to advisers, an Agent Certificate

Replacing "W" PPS Numbers

The Client Identity Services' Office, Department of Social Protection (DSP) (071 967 2500) can:-

- Confirm if a "W" number has already been replaced, or
- Issue a replacement PPS number

Paying Revenue by EFT

Payment details should be emailed to Revenue at the following address:-
CATEFTPayments@revenue.ie

The details required are:-

- * Name /PPS number of Taxpayer
- * Amount paid
- * Taxable period
- * Is the benefit a gift or inheritance?

The payment should be transferred to:

CG's CAT Public Bank Account
AIB 7/12 Dame Street, Dublin 2
Sort Code : 93 20 86
A/C No. 32409022
IBAN: IE80 AIBK 9320 8632 4090 22
BIC: AIBKIE2D.

(developed for filing income tax) and a Business Certificate (developed for stamp duty). The two certificates have different payment parameters.

Solicitors with a Business Certificate can pay CAT from the firm's client account by setting up a ROS Debit Instruction (RDI). If a ROS Agent Certificate is used the CAT payment can only be made by Laser card or Visa Debit cards (note a Visa Credit card cannot be used). To facilitate tax agents Revenue will take an Electronic Funds Transfer (EFT) if the return is filed on ROS, and the tax cannot be paid via ROS (see above for details).

ROS: Multiple Benefits

The ROS CAT form can take a maximum of three benefits per form so if a beneficiary has received multiple benefits in a CAT year (i.e. 1 Sept – 31 Aug) from multiple disponers he will have to file more than one return on ROS.

ROS: Tax Previously Paid

On the ROS CAT form there is an

entry for "prior CAT paid on same event" on the "Credits Deductible" tab. If a return is being filed adjusting the figures on an earlier CAT return this field should only be filled out if the prior CAT was paid using the old pre 2010 system. Where the first return was filed under the old pre-FA10 CAT system the payment would have processed under the old Revenue Ingress system which is not linked to ROS.

Solicitors: Closing the CAT File

Solicitors acting for estates are no longer secondarily liable for CAT when distributing to resident beneficiaries. However there is still secondary liability for non resident beneficiaries.

Advisors should get clearance from Revenue before they distribute the estate and close the file. A "one month" letter can be sent to Revenue in Dublin City Centre, advising that assets passing to the non-resident are to be distributed and the CAT pay and file obligations have been met. The Revenue FAQs (click [here](#)) set out the terms of the letter.



If Revenue do not respond within 30 days of the letter from the solicitor, then the solicitor can distribute the assets of the estate once the one month retention period has expired. There is no guarantee that Revenue will not audit at a later date but if the Revenue do opt to audit they will deal directly with the non-resident beneficiary and the solicitor will not be liable.

Caveat: These notes are intended as a general guide to CAT returns for 2011. OHT has endeavoured to provide an accurate commentary but the notes cannot cover all circumstances. OHT strongly recommends that formal tax advice be obtained before any steps with tax implications are taken.