



Irish Corporation Tax Pay & File Obligations

Companies which are resident in Ireland or carrying on a trade through a branch or agency here are liable to Irish corporation tax ("CT"). Active Irish trading income is taxed at 12.5%, and Revenue have published guidelines on qualifying trading income – click [here](#) for more details.

A 25% corporation tax rate applies to profits from certain land dealing trades, and non-trading income, such as:-

- Case III income, e.g. interest and foreign income
- Case IV income, e.g. patent royalties
- Case V income, i.e. rent from Irish land & buildings

Corporation Tax (CT) Pay & File Obligations

Each year a company's pay & file obligations involve:

- Paying preliminary tax,
- Filing a return with Revenue, and
- Paying any balance of tax due on filing the return.

The preliminary tax rules depend on the size of the company. A "large company" is a company which had a corporation tax liability in the preceding accounting year exceeding €200,000. A large company pays preliminary tax in two instalments, with any balance of tax due being paid when the return is filed. All payments are due by the 21st day of the relevant month (or 23rd day when filing online):

1. The first instalment (50% of the preceding period's tax or 45% of the current year's tax) is due in the 6th month of the accounting period.
2. The second instalment to top up the tax payment to 90% of the liability for the current period is due in the 11th month of the accounting period.
3. The balance of tax is due in the ninth month after the end of the accounting period.

For short accounting periods (less than 7 months) preliminary tax of 90% is due in one instalment. A large group company which paid more than 90% in preliminary tax can ask Revenue to credit the excess to another large company in the same group.

"Small companies" (with a prior year corporation tax liability of €200,000 or less) make two payments:-

1. Preliminary tax equal to or greater than 90% of the

- final liability for an accounting period, due in the last month of the accounting period, and
2. The balance of tax, due in the ninth month after the end of the accounting period.

Again, the tax payments are due by the 21st of the month (the 23rd if paying online).

"Small companies" have the option of basing the preliminary tax payment on the corresponding Corporation Tax liability for the preceding accounting period. New companies with a corporation tax liability of €200,000 or less can opt to pay 100% of the CT when filing the tax return instead of paying preliminary tax in advance of the filing deadline for the first accounting period.

Corporation Tax Return

A company must file its tax return (with an accounts extract) by the 21st day of the ninth month after the end of an accounting period (or by the 23rd if the company is e-filing). There are also restrictions on a company's right to claim certain reliefs and allowances if the tax return is filed late, and a late return is subject to a surcharge as follows:-

1. 5% of the tax due (maximum of €12,695) if the return is filed within 2 months, and
2. 10% of the tax due (maximum of €63,485) where the return is not filed within 2 months.

Date of Filing	Restriction
Return filed within 2 months	25% of loss or relief (max. €31,740)
Return not filed within 2 months	50% of loss or relief (max. €158,715)

CRO Obligation to File Accounts

An Irish company has to file an annual CRO return (Form B1) with financial statements. Unlimited private companies owned by individuals or a non-EU unlimited company do not have to make this return so is possible to avoid having to file accounts by converting to an unlimited company.

It may be possible to restructure the share ownership of a group and to keep limited liability (e.g. by using an Isle of Man holding company with unlimited liability subsidiaries).

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Caveat: These notes are intended as a general guide to Corporation Tax. 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 are taken that may have a tax effect.