

A Guide to Self Assessment

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INTRODUCTION

This booklet explains the basic principles of the Self-Assessment system as it applies to Income Tax and Capital Gains Tax. It aims to make the tax system easier to understand and answers many of the questions which arise, when individuals find that they are chargeable to tax under Self-Assessment.

While we have tried to cover all the issues involved, you may need further information or help with the completion of forms. If so, contact your nearest Revenue District office - A full list of "Contact Details" for all Revenue offices is available on Revenue's website www.revenue.ie If you are self-employed Revenue's guide 'Starting in Business' (IT48) may be more suitable.

Revenue Public Offices

Revenue has a number of 'walk-in' Revenue information offices throughout the country. A full list can be found in Appendix 2. A full list of 'Contact Details' for all Revenue Offices is available at Revenue's website www.revenue.ie.

Revenue Information Leaflets

Revenue has published a wide range of Guides and Information Leaflets. These are available, free of charge, from www.revenue.ie or the Revenue Forms and Leaflets Service LoCall 1890 306 706 (ROI only) 00 353 1 6744050 (outside ROI). This service is available 7 days a week, 24 hours a day. Many Revenue leaflets are also available from your local public library. A summary of the leaflets and guides, which may be of assistance to you, is contained in appendix one, page 20.

Your Rights as a Taxpayer

In your dealings with Revenue you are entitled to be treated with courtesy and consideration at all times. Revenue's Customer Service Charter sets out the principles by which we, in Revenue, operate. A copy of the Customer Service Charter is included in Appendix three at the back of this booklet.

SELF-ASSESSMENT

What is Self-Assessment?

Self-Assessment is a system which gives you greater control and responsibility over your tax affairs. It applies to people chargeable to Income Tax who are in receipt of income from sources which are not chargeable to tax under the PAYE system or where some but not all of their tax on these sources of income is paid under PAYE.

Self-Assessment applies for Income Tax purposes to:

- Self-employed persons (i.e. people carrying on their own business including farming, professions or vocations)
- Persons receiving income from sources where some or all of the tax cannot be collected under the PAYE system, for example:
 - ▼ profits from rents,
 - ▼ investment income,
 - ▼ foreign income and foreign pensions,
 - ▼ maintenance payments to separated persons,
 - ▼ fees,
 - ▼ profit arising on exercising various Share Options/Share Incentives.

Under Self-Assessment there is a common date for the payment of tax and filing of Tax Returns, i.e. 31 October. This system, which is known as “**Pay and File**” allows you to file your return and pay the balance of tax outstanding for the previous year at the same time. Under this system you must:

- pay Preliminary Tax for the current tax year on or before the 31 October each year,
- make your Tax Return after the end of the tax year but not later than the following 31 October. This is known as the “**specified return date**”.
 - ▼ pay any balance of tax due for the previous tax year on or before 31 October
 - ▼ pay any Capital Gains Tax on disposals made between 1 January and 30 September of the current tax year.

How do I register for Self-Assessment?

You should advise your Revenue District office when the source of income commences. You can do this by completing **Form TR1**. This registration form is for an Individual/Sole Traders, Partnerships, Trusts or Unincorporated Bodies requiring to register for:

- Income Tax,
- Employers PAYE/PRSI,
- VAT,
- Relevant Contracts Tax (as a Principal Contractor).

You should also register for PRSI with the Department of Social and Family Affairs by completing Form SE3.

Once registered for tax purposes you should access the Revenue On-Line Service (ROS) through Revenue's website www.revenue.ie and familiarize yourself with the many features of ROS as it is the most effective way for you as a Revenue customer to deal with your tax affairs. Further information on ROS is available at page 12 of this booklet.

What Tax Number will I use?

If you have paid tax previously you will keep the same tax number. This number is known as your Personal Public Service (PPS) Number. You must enter this number on your tax registration form (Form TR1).

If you do not have a PPS Number you must first register with the Department of Social and Family Affairs. To register with that Department you should:

- call in person to the nearest or most convenient Social Welfare Local Office or Social Welfare Branch Office,
- complete a PPS Number application Form REG1, and
- present documentary evidence as requested on the application form to verify your identity.

You will be notified of your PPS Number by the issue of a Social Services Card. **Leaflet SW100 'Personal Public Service Number'** issued by the Department of Social and Family Affairs gives further information on how to register for your PPS Number. The leaflet is available from your Social Welfare Local Office and on the Department's website at www.welfare.ie

Your PPS Number is very important so you should keep a permanent record of it and always quote the number when contacting your Revenue office.

PRELIMINARY TAX

What is Preliminary Tax?

Preliminary Tax is your estimate of your Income Tax payable for the year and must be paid by 31 October. In calculating your Preliminary Tax you should remember that it includes PRSI and Health Contribution as well as Income Tax.

The amount of Preliminary Tax you must pay to avoid interest charges is the lower of:

- 90% of your final liability for the current tax year

or

- 100% of your final liability to tax for the immediately previous year

or

- 105% of your final liability for the year preceding the immediately previous year. This option is only available where you authorise the Collector-General to collect tax by direct debit. The 105% rule does not apply where the tax payable for the pre-preceding year is NIL.

Tax Year	2005	2006	2007	2008
100% rule	100% of 2004 liability	100% of 2005 liability	100% of 2006 liability	100% of 2007 liability
Direct Debit (105%)	105% of 2003 liability	105% of 2004 liability	105% of 2005 liability	105% of 2006 liability

For the 90% rule see the following example on how to calculate Preliminary Tax.

How do I calculate my Preliminary Tax?

In the following example you will not know the final liability for 2007 until after 31 December 2007. For the purposes of calculating Preliminary Tax, €6,500 is shown as the estimate of final liability for 2007.

Tax Year	Final Liability
2005	€6,350
2006	€7,620
2007	€6,500

Calculation of Preliminary Tax for 2007

90% of the liability for 2007:	$6,500 \times 90\% = €5,850$
100% of the liability for 2006:	$7,620 \times 100\% = €7,620$
105% of the liability for 2005:	$6,350 \times 105\% = €6,667$

In this example, to avoid an interest charge for 2007, the minimum amount which must be paid by 31 October 2007 is €5,850. However, if the estimated final liability of €6,500 is lower than the actual final liability for 2007 you will be liable to an interest charge on the difference between the 90% figure of €5,850 and the actual final liability amount.

When and how do I pay my Preliminary Tax?

Preliminary Tax must be paid on or before the 31 October every year with the exception of your first year in the Self-Assessment system. You can pay your Preliminary Tax as follows:

- you can have the amount specified deducted directly from your bank account by completing the Single Debit Authority on the payslip,
- you can pay your Preliminary Tax through the Revenue On-Line Service (ROS),
- you can pay your tax through Bank Giro, therefore making the payment through any bank,
- you can pay it by Direct Debit.

New Registration

If you are registering for Self-Assessment you may have difficulty in calculating your Preliminary Tax due in your first year or indeed you may register for tax after the 31 October deadline date. Interest will not be charged if you do not pay Preliminary Tax in your first year. However, it is recommended that you pay Preliminary Tax as near to the final tax liability as you can estimate. In your second tax year you must comply with the 90%, 100% or 105% rule in order to meet your Preliminary Tax obligations. See the example in the section on 'When must I make my Tax Return' (page 8) for further clarification.

How does Direct Debit work?

You can make arrangements with the Collector-General to pay your Preliminary Tax by Direct Debit. This scheme is designed to spread the burden of payment of Preliminary Tax throughout the tax year. To avail of Direct Debit you must complete and sign an instruction, which allows for agreed monthly deductions from your bank account, for credit to your tax account(s). You remain in total control of the monthly amounts(s) you have agreed to pay.

Information **Leaflet CG9 (DD) Preliminary Tax - Income Tax** gives further information and also contains an application to join the Direct Debit Scheme. This leaflet is available at www.revenue.ie or from the Collector General's Division by phoning Lo-Call 1890 203 070 (ROI only), 00353 1 6330600 (outside ROI) or by e-mail at eft-apollo@revenue.ie

What are the advantages of paying my tax by Direct Debit?

By paying your Preliminary Tax by Direct Debit you can spread the payment over the tax year for which the tax is due. Direct Debit is particularly suitable for people who receive their income at regular intervals such as weekly or monthly. It avoids having to pay a lump sum in October each year.

How else can I pay my tax?

The notices which you receive include customised payslips. These payslips contain details such as your PPS number, the tax type and the tax period. The payslip allows you to make your payment in the following ways:

Certain payslips allow you to pay your tax by **Single Debit Authority**.

Single Debit Authority enables you to make once-off payments directly from your bank account by completing your bank details and a debit amount on payslips attached to:

- Income Tax Pay & File notices,
- Capital Gains Tax Pay & File notices,
- Return of Income Form 11,
- Return of Income Form 11E,

Payments through **Single Debit Authority**, similar to those made through the **Revenue-On-Line Service** (see below), receive credit on the day of payment.

Revenue On-Line Service (ROS) provides you with the following methods of payment of tax:

- ROS Debit Instruction (RDI),
- Laser Card via ROS,
- On-Line Banking via ROS.

Further information on **Revenue On-Line Service** payment options is available at page 12 of this Guide.

Postal Payments

You can post your payment to the Collector-General's Division. A receipt will be issued to you in due course.

It is important that you return the payslip with the notice whether making a payment or a "Nil" return.

What happens if I don't pay my Preliminary Tax on time?

If you don't pay your Preliminary Tax by the 31 October or if you don't comply with your direct debit arrangement or if the amount of Preliminary Tax you pay is too low you will be liable to an interest charge. The due date for the payment of your full tax liability for the year becomes 31 October. Interest at the rate of just under 10% per annum, is payable on all late payments of tax.

TAX RETURNS

When must I make my Tax Return?

Under the Self-Assessment system, you have a legal duty to make a tax return every year.

Tax returns will be issued to all persons on Revenue's records who are considered likely to have a tax liability. However, it is your responsibility to see to it that you get, complete and submit your tax return on time. Your tax return must be sent to the Collector General's Division by 31 October after the end of the tax year i.e. your tax return for the tax year 2005 must be sent in by 31 October 2006. However, you should send in your tax return as soon as possible after the end of the tax year i.e. you should send in your tax return for 2005 as soon as possible after 1 January 2006, etc. The earlier you send in your tax return, the sooner you will know your final liability for the tax year - this can be important when it comes to paying the balance due and calculating your Preliminary Tax for the following year.

The following example illustrates the Preliminary Tax Payment dates and the Return Filing dates:

As an ongoing Self-Assessment person you must:

- pay Preliminary Tax annually on or before 31 October,
- file your tax return after the 31 December, but not later than the 31 October following the end of the tax year. The 31 October is known as the "specified return date",
- pay any balance of tax due for the preceding year on or before 31 October.

Persons coming into Self-Assessment for the first time

Because of the option to pay Preliminary Tax of 100% of the previous year's liability (i.e. liability net of PAYE tax) a payment of Preliminary Tax does not generally arise for the first year. However, you are advised to make a payment of 90% of the estimated liability. If, for example, your tax affairs for 2005 were dealt with under PAYE and you commence as a self-employed person in 2006 a payment of Preliminary Tax on 31 October 2006 is optional.

An individual, who enters the self-assessment system because they have commenced in trading, have until the return filing date for the second year to submit tax returns for both the first and second year trading. However, as mentioned previously, early filing of returns is advisable, as it allows an individual to know in advance of payment deadlines what tax is due.

Early filing does not bring forward the payment date

However, you must:

- pay Preliminary Tax for 2007 on or before 31 October 2007,
- pay the balance of tax due, if any, for 2006 on or before 31 October 2007,
- pay the balance of tax due for 2007 on or before 31 October 2008,
- file your tax return for 2005 and 2006 on or before 31 October 2007.

What happens after I have made my Tax Return?

Your Inspector will issue a Notice of Assessment in accordance with your return. This will show your total tax liability for the tax year. The Preliminary Tax paid by you will be credited against your liability and provided you paid adequate Preliminary Tax, any additional tax due should be paid on or before 31 October following the year of assessment. If you have overpaid your tax it will be refunded to you.

What happens if I do not submit my Return on time?

Failure to submit your tax return by **31 October** after the end of the tax year will result in a surcharge being added to your tax bill for the year. The surcharge is:

- 5% of the tax up to a maximum of €12,695 where the return is made within 2 months of the return filing date,
- 10% of the tax up to a maximum of €63,485 where the return is made more than 2 months after the return filing date.

What income do I include on my Tax Return?

Your tax assessment is normally based on your actual income arising from the 1 January to the following 31 December. However, if your income consists of profits from a business, trade, profession or vocation you may decide to prepare your accounts for a different accounting period. Assessments in respect of any other income i.e. investment income, rental income, foreign pension or foreign salary are all based on the actual income arising in the tax year (i.e. from 1 January to the following 31 December).

What type of accounts will I have to submit with my tax return?

You are no longer required to submit your self-employed business accounts with your return of income. You must still, however, prepare accounts and then **extract** the relevant information from your accounts for entry in the **Extracts From Accounts** pages of the Return of Income, **Form 11** or **Form 11E**, as applicable. These pages are essentially an extract from your accounts and NOT a tax adjustment computation. You do not have to complete the Extracts from Accounts if the source of income results from a partnership or if you have already submitted accounts relating to the return.

What accounts data do I submit if I am filing with ROS?

More detailed information on ROS is given on page 12 of this booklet. If you are filing electronically with the Revenue On-Line Service you must submit Accounts Menus. In order to ensure equality of treatment between paper filers and electronic filers, paper filers are required to submit the same level and format of data as electronic filers. Electronic data will not be subjected to electronic interrogation until the same data from paper filers is captured.

What do I do if I find I made an error in completing my Return?

If you get an assessment in accordance with your Tax Return but you find you made an error in completing your Return you should write immediately to your Inspector explaining what the error is and how it occurred. The Inspector will amend your assessment as necessary to correct the situation.

What happens if I do not agree with my notice of assessment?

If the assessment is in accordance with your Return and you have made a correct Return then you have no grounds for not agreeing with it. If the assessment is not in accordance with your Return and you disagree with it, you may appeal against it by writing to your Inspector within 30 days from the date on the notice of assessment.

When making your appeal you must:

- identify the specific matter with which you do not agree,
- pay the amount of tax not in dispute within one month of the date on the notice of assessment.

If you fulfil these conditions your appeal will be accepted and your Inspector will discuss your appeal with you and, hopefully, resolve it. If you and your Inspector fail to resolve the matter, you have the right to have your appeal heard by the Appeal Commissioners and, if necessary, you can take your appeal further through the courts.

PAY and FILE SYSTEM

The **Pay and File** system provides the facility for you, **on a single date – 31 October**, to:

- File your tax return for the previous tax year for Income Tax and Capital Gains Tax,
- Pay your Preliminary Tax for the current year,
- Pay any balance of Income Tax due for the previous year, and
- Pay in full the Capital Gains Tax due on disposals made between 1 January and 30 September of the current tax year, (see page 19 Capital Gains Tax).

The single due date, 31 October, will allow you to pay and file at the one time. This date is referred to as the **specified return date**.

An important point to note is that if you wait until the Pay and File deadline of 31 October to file your return you will need to calculate your own tax liability.

If you are filing a **paper tax return** and you do so before 31 August (early filer) Revenue will issue a final tax assessment for the previous well in advance of the 31 October deadline, in time to pay your actual liability. This will save you having to do the calculations and you will have certainty in the amount of tax you have to pay, including Preliminary Tax for the current year. **Submitting your return form early will not result in Revenue seeking payment of tax before it is due.**

Alternatively, you can compute your own liability to Income Tax and submit your completed Income Tax return together with any payment that may be due **on or before 31 October**.

All payments should be aggregated on a single personalised payslip and the return and payment should be filed either –

- On-Line – using the Revenue On-Line Service (ROS), or
- By post to the Collector-General Division, PO Box 354, Limerick, to arrive **on or before 31 October**.

More information on how to file your Income Tax return and pay your tax on-line using **Revenue's On-Line Service (ROS)** is available on page 12.

REVENUE ON-LINE SERVICE (ROS)

What is the Revenue On-Line Service (ROS)?

ROS is Revenue's secure interactive internet-based facility and it is the most effective way for businesses to:

- File Returns and make payments
- Obtain details of their Revenue account
- Calculate their tax
- Claim repayments
- Conduct their business electronically

What are the benefits of using ROS?

The benefits of ROS include:

- On-Line calculation facilities
- Simpler user friendly return forms
- Speedier Repayments
- Secure 24 x 7 access
- Instant acknowledgement
- Effective and efficient use of time - no duplication
- Elimination of clerical error
- Environmentally friendly

What facilities does ROS provide?

The following forms can now be filed through ROS together with payments where appropriate

- VAT (VAT3 & annual Return of Trading Details)
- Employers Payroll returns (P30, P35 and P45)
- Income Tax Form 11 (Self Employed Individuals)
- Corporation Tax (Form CT1)
- VIES and INTRASTAT Returns
- Vehicle Registration Tax (Vehicle Birth Certificates and Registration forms)
- Relevant Contract Tax Returns (RCT30 and RCT35)

- Environmental Levy Returns
- Dividend Withholding Tax Returns
- Professional Services Withholding Tax Returns (F30 and F35)
- Special Saving Incentive Account Returns
- Deposit Interest Retention Tax Returns
- Life Assurance Exit Tax Returns
- Investment Undertaking Tax Returns
- Gift and Inheritance Tax Returns (IT38)
- Common Agricultural Policy (CAP) Export Declarations
- Betting Duty Returns
- VAT on eServices
- Transit Declarations
- A facility where employers can download Tax Credit Certificates (P2Cs) via ROS. This data can be exported to the customers payroll system. Payroll agents can also download the P2C via ROS on behalf of their clients. For this the employer must be registered for ROS and have elected to receive P2Cs electronically,
- A facility for customers and agents to make CGT payments for IT-registered customers who are not yet registered for CGT.

Facilities are also available to order a statement of account and to access the Vehicle Registration Tax Calculator and Enquiry System.

You can view details of your Revenue account including such items as:

- Returns filed and due
- Payments made
- Refunds and Repayments
- Charges and collection: details of tax due and paid

How do I access ROS?

ROS can be accessed via the Revenue website www.revenue.ie You can explore a number of features of ROS from the ROS homepage without any requirement to register. These include a section on “Frequently Asked Questions” which covers issues as basic as “What is ROS?”. The homepage also includes demonstrations on how to file your returns using ROS.

How do I register for ROS?

ROS has a simple three-step registration process. From the ROS homepage click on 'Register' under the Self-employed Individuals, Business and Practitioners heading and follow the 3 step process. You will be issued with a Digital Certificate when you have completed the 3 steps. Your Digital Certificate enables you to access ROS and utilise its full menu of services.

To ensure the security of the service, the authentication procedure involves issuing correspondence via land mail. The whole process typically takes 8 working days, so you should be sure to start the process well in advance of any filing deadlines that may apply.

Is ROS confidential and secure?

You want to be certain that information accessed or transmitted on the Internet is Secure. We have invested considerable time and expertise to safeguard the security of ROS. We are using the latest technologies to ensure a confidential and secure channel for the electronic filing of returns. Confidentiality and integrity of the data transmitted through ROS is assured.

How do I pay my tax using ROS?

There are currently 3 methods of making payments through ROS:

- ROS Debit Instruction (RDI),
- Laser Card,
- On-Line Banking facility (Income Tax and Capital Gains Tax only).

Who can I contact with queries on ROS?

ROS Liaison Officers (RLOs) have been assigned to Revenue Offices throughout the country. If you require further information or assistance regarding ROS you should contact the RLO in your area. You can view the full list of RLOs from the 'Contact Us' link or from the 'Help' link at the end of the ROS Homepage which can be accessed at www.revenue.ie

You can also contact the ROS Information Desk at LoCall 1890 20 11 06 or, for callers outside the Republic of Ireland 00 353 1 2771178, who will answer your queries on any technical issues concerning ROS. You can also e-mail ROS at roshelp@revenue.ie

Employees

A full list of on-line Self Services for Employees is on the Revenue website.

To use this service employees need a Revenue PIN and to register with www.reachservices.ie a Government service set up to provide secure and confidential access to public services on the internet. Find out more at www.revenue.ie

PRSI AND HEALTH CONTRIBUTIONS

Who pays PRSI?

With very few exceptions:

- Self-employed people with a minimum annual income * who are **aged 16 or over**, are liable for Pay-Related Social Insurance (PRSI) contributions.
- All employees whether full-time or part-time

What PRSI and Health Contributions will I have to pay?

Self-Assessment persons in general, are liable to pay PRSI at Class S. The Class S annual rates are listed in **Leaflet IT1** *.You can also obtain full details of all PRSI rates from the Department of Social and Family Affairs, at the address, telephone numbers hereunder or at **www.welfare.ie**

However, where a self-employed person is deemed by Revenue to have no net tax liability (NNL), PRSI is not collected. In order to be liable to pay NNL rate PRSI, which is taken into account when determining pension entitlement, it is necessary to have annual income of €3,174 – other conditions also apply. Where a PRSI liability exists special arrangements are put in place under which PRSI is paid directly to:

NNL Section

Department of Social and Family Affairs
Cork Road
Waterford.

* [See leaflet SW14 available from Department of Social and Family Affairs or leaflet IT 1 which is available from the Revenue website **www.revenue.ie** by phoning the Revenue Forms and Leaflets Service at 1890 306 706 (ROI only) or from any Revenue office].

What Benefit may I get by paying Class S PRSI?

PRSI Class S provides cover for:

- Widow's and Widower's Contributory Pension
- Orphan's Contributory Allowance
- Old Age Contributory Pension
- Maternity Benefit
- Adoptive Benefit
- Bereavement Grant

How do I register for PRSI?

People under Self-Assessment who are liable to pay PRSI at Class S should register for PRSI with the Self-Employment Section of the Department of Social and Family Affairs by completing **Form SE3**. If you register as a self-employed person, the Department of Social and Family Affairs will be able to keep your social insurance record up to date, helping to avoid any delays to social welfare claims that you may make in the future.

More detailed information on PRSI for the Self-Employed is included in “A Guide to PRSI for the Self-Employed” (**SW74**), which is available from the Department of Social and Family Affairs, at www.welfare.ie or,

Self –Employment Section,
Social Welfare Services Office,
Cork Road,
Waterford.

E-mail: selfemployment@eircom.net
Telephone: (051) 356 000 / (01) 704 3000

Class S PRSI is not payable on income taxed under Self-Assessment by a person:

- who is an employee (other than a proprietary director) only or occupational pensioner and whose self assessed income consists of income from investment, rents, etc.,
- who is a permanent and pensionable employee in the public service who is only insured for widows and orphans pension,
- who is under 16 years or over 66 years of age,
- whose total income from all sources, before deduction of capital allowances and Superannuation is less than € 3,174.
- who is an occupational pensioner and whose only income is unearned
- Any sums received by way of pension, benefit, etc. from the Department of Social and Family Affairs, are exempt from PRSI

The income, etc. to be taken into account in calculating Health Contributions is the same as for PRSI with the following modifications:

- the upper age limit of 66 years does not apply
- the category of individuals who do not have to pay is confined to:
 - ▼ individuals in receipt of a death benefit payable by way of, Pension (or similar payments from any EU member state),
 - ▼ individuals in receipt of a Widow's /widower's pension, deserted wife's benefit/allowance, or a one parent family payment,
 - ▼ individuals with a full medical card are also excluded.

Where you are liable for the Health Contribution all income is chargeable, with the sole exception of income from the Department of Social and Family Affairs.

REVENUE AUDIT AND RECORDS

What is a Revenue Audit?

Under Self-Assessment, your tax return will be accepted by your Inspector of Taxes. However, your Income tax return may be selected for audit, in which case your records will be examined.

A Revenue audit is an examination of your tax return and records by a Revenue official to ensure that all profits, income and chargeable gains, where relevant, are correctly calculated and that none are omitted from the return. An audit may also be carried out to check that tax credits, reliefs, etc. claimed are due. Every year, a number of taxpayers are selected for audit. A taxpayer may be selected for varying reasons or on a random basis.

What advance notice will I be given?

Generally, twenty-one days' advance notice in writing is given. The notification letter shows:

- The name of the person who will carry out the audit,
- The date and time of the audit,
- The year(s), accounting period(s) or tax period(s) which are to be audited.

Where can I get further information on Revenue Audits?

The **Code of Practice for Revenue Auditors** which is available from Revenue's website www.revenue.ie from Revenue Forms and Leaflets Service at 1890 306 706 (ROI only) or 00353 1 6744050 (outside ROI) or any Revenue Office.

What records must I keep?

You must keep full and accurate records of your business from the start. You need to do this whether you send in a simple summary of your profit/loss, prepare the accounts yourself, or, have an accountant do it. The records you keep must be sufficient to enable you to make a proper return of income for tax purposes and will depend on the nature and size of your trade, business or source of income.

The records kept must include books of account in which:

- All purchases and sales of goods and services,
and
- All amounts received and all amounts paid out,

are recorded in a manner that will clearly show the amounts involved and the matters to which they relate.

All supporting records such as invoices, bank and building society statements, cheque stubs, receipts, rent books, etc. should also be retained.

How long must I keep Records?

You must keep your records for **six** years unless Revenue advises you otherwise.

What happens if I fail to keep proper Records?

Failure to keep proper records or failure to keep them for the necessary six years, where you are chargeable to tax, is a Revenue offence. If you are convicted of a Revenue offence you face a heavy fine and/or imprisonment.

Do I need to employ an Accountant?

In order to complete your tax returns and claim the various tax credits and reliefs due to you it is not necessary to employ an accountant or tax adviser. However, for specific advice on book-keeping and financial matters generally it would be in your own interest to engage an accountant or tax adviser. Revenue will normally correspond with your accountant, if you have one, and not with you.

CAPITAL GAINS TAX - SELF ASSESSMENT

What is Capital Gains Tax?

Capital Gains Tax is a tax which is payable on gains made on the disposal of certain assets. The more common chargeable assets are land, houses and shares, however other forms of property may also be chargeable assets.

How does Self-Assessment operate for Capital Gains Tax?

Self-Assessment for Capital Gains Tax operates in much the same way as for Income Tax, with the following variations:

- Self Assessment applies to ALL TAXPAYERS, including PAYE taxpayers, who make a chargeable gain in a tax year,
- the payment date will depend on when the disposal was made during the year:

Disposal Date	Payment Date
On or before 30 September in the tax year	Tax due by 31 October in that tax year
From 1 October to 31 December in the tax year	Tax due by 31 January in the following tax year

Indexation relief on disposals will apply for the period of ownership of the asset up to 31 December 2002 only.

Normally Capital Gains Tax will arise only occasionally. Therefore you must specify and pay Capital Gains Tax without getting a reminder letter to do so.

The Capital Gains Tax return, which is part of the Income Tax return must be made by the 31 October in the year following the year in which the gain was made.

Payment of Capital Gains Tax should be accompanied by a payslip and should be submitted to:

Collector-General's Division
Sarsfield House
Francis Street
Limerick

Blank payslips are available from any Revenue District office.

If you need more information on Capital Gains Tax, you can get booklet 'Guide to Capital Gains Tax' (CGT1) at www.revenue.ie by telephoning the Revenue Forms and Leaflets Service at LoCall 1890 306 706 (ROI only) or 00353 1 6744050 (outside ROI) or from any Revenue office.

TIMETABLE OF IMPORTANT DATES IN THE TAX YEAR

January

- Pay any Capital Gains Tax due on disposals made in the period 1 October to 31 December in the previous tax year by 31 January

August

- File your tax return for the previous tax year, if you wish Revenue to calculate your final liability before Pay & File due date (31 October), by 31 August

September

- Pay & File Payment Reminder letters will begin to issue. This serves as a reminder that:
 - ▼ Payment of Preliminary Tax for the current year of assessment,
 - ▼ Payment of Balance of Income Tax for previous year, and
 - ▼ Payment of Capital Gains Tax due for the period 1 January to 30 September this year, must be paid by 31 October.

October

- Pay current year Preliminary Tax by 31 October
- File your tax return by 31 October (issued the previous January). Failure to send your completed tax return by this date will result in a surcharge (5% where the return is submitted within two months, otherwise 10%) being added to your final tax bill
- Pay balance of tax for previous year by 31 October
- File Capital Gains Tax return for previous tax year by 31 October
- Pay any Capital Gains Tax due on disposals made between 1 January and 30 September of the current year by 31 October

A comprehensive listing, entitled **Calendar - Key Revenue Dates**, is available on Revenue's website www.revenue.ie - Information...for Businesses – Calendar Key Revenue dates.

APPENDIX 1

The following information leaflets may be of interest to you:

Income Tax

- IT 1 Tax Credits, Reliefs, and Rates
- IT 2 Taxation of Married Persons
- IT 9 One-Parent Family Tax Credit
- IT 45 Tax Credits for Over 65s
- IT 48 Starting in Business Guide
- IT 49 VAT for Small Businesses
- IT 64 Relevant Contracts Tax - Guide for Sub-Contractors
- IT 66 Home Carer's Tax Credit
- CG 7 Direct Debit: PAYE/PRSI & VAT
- CG 9 Direct Debit: Preliminary Tax - Income Tax
- Guide to Completing Pay & File Returns
- Code of Practice for Revenue Auditors

Capital Gains Tax

- CGT 1 Guide to Capital Gains Tax
- CGT 2 Capital Gains Tax - A Summary of the Main Features

The above are only a selection of the information leaflets produced by Revenue. All are available at www.revenue.ie from Revenue's Forms & Leaflets Service at LoCall 1890 360 706 (ROI only), 00 353 1 6744080 (outside ROI) or from any Revenue office.

APPENDIX 2

Information Offices for Personal Callers

Tallaght Revenue Information Office: 9.30 – 16.00	Level 2, The Square, Tallaght, Dublin 24.
Central Revenue Information Office: 8.30 – 16.00	Cathedral Street, Off O'Connell Street, Dublin 1.
Athlone: 9.30 – 17.00	Government Offices, Pearse Street, Athlone.
Castlebar: 9.30 – 17.00	Michael Davitt House, Castlebar.
Clare: 9.15 – 17.00	Government Offices, Kilrush Road, Ennis.
Cork: 9.15 – 17.00	Government Offices, Sullivans Quay, Cork.
Dundalk: Mon-Thurs 9.30–17.00 Fri 9.30 – 16.00	Millennium Centre, Dundalk.
Galway: 9.30 – 17.00	Hibernian House, Eyre Square, Galway.
Kilkenny: 9.30 – 17.00	Government Offices, Hebron Road, Kilkenny.
Letterkenny: 9.30 – 17.00	High Road, Letterkenny.
Limerick: 9.15 – 17.00	River House, Charlotte Quay, Limerick.
Sligo: 9.30 – 17.00	Government Offices, Cranmore Road, Sligo.
Thurles: 9.30 – 17.00	Government Offices, Stradavoher, Thurles.
Tralee: 9.15 – 17.00	Government Offices, Spa Road, Tralee.
Waterford: 9.30 – 17.00	Government Offices, The Glen, Waterford.
Wexford: 9.30 – 17.00	Government Offices, Anne Street, Wexford.

APPENDIX 3

Customer Service Charter

Revenue collects taxes and duties which fund the provision of public services for the benefit of all citizens.

Revenue protects society through its Customs Service working on frontier control.

The effective and fair administration of tax and customs law requires Revenue and citizens to recognise certain basic rights and responsibilities.

This Customer Charter sets out mutual expectations in this context.

Consistency, Equity and Confidentiality

Revenue will administer the law fairly, reasonably and consistently and will seek to collect no more than the correct amount of tax or duty.

Revenue will treat the information you give us in confidence and ensure that it will not be used or disclosed except as provided for by law.

Courtesy and Consideration

You can expect to be treated courteously, with consideration and in a non-discriminatory way in your dealings with Revenue

We expect you to treat Revenue officials with courtesy and to give them all reasonable co-operation.

Information and Assistance

You can expect to be given the necessary information and all reasonable assistance to enable you to clearly understand and meet your tax and customs obligations and to claim your entitlements and credits.

We expect you to provide true and correct information in all your contacts with Revenue and to advise Revenue in a timely manner of developments (such as change of address, commencement or cessation of business) that are relevant to your tax and customs affairs.

Presumption of Honesty

You can expect to be treated as honest in your dealings with Revenue unless there is clear reason to believe otherwise and subject to Revenue's responsibility for ensuring compliance with tax and customs law.

We expect you to deal in an honest way with Revenue by returning the tax and duty which you are due to pay and seeking only those entitlements and credits to which you are due.

Compliance Costs

You can expect that Revenue will administer the tax and duty regimes in a way that will minimise, as far as possible, compliance costs

We expect you to maintain proper records and accounts and to ensure that your Returns and Declarations are completed fully, accurately and in a timely manner.

Complaints, Review and Appeal

There are comprehensive complaints and appeal procedures open to all customers of Revenue and we encourage you to avail of these if you are in any way dissatisfied with the service you receive from us.

You can expect:

- That if you make a complaint, Revenue will deal with it promptly, impartially and in confidence.
- That availing of Revenue's own complaints procedures will never prejudice your rights to raise issues with the Ombudsman or lodge, within the statutory time limits, a formal appeal to the Office of the Appeal Commissioners against an assessment raised by Revenue or against certain determinations made by Revenue officials.

Full details, including contact points, are contained in Leaflet CS4 which is available on our website, www.revenue.ie from our Forms and Leaflets Service LoCall number 1890 306 706 (ROI only) 00 353 1 6744050 (outside ROI) and in any Revenue public office.

This guide does not attempt to cover every tax issue which can arise in self assessment, nor does it aim to give an interpretation of the legislation involved. If you find this guide does not answer all of your questions or if you have additional concerns, contact your Revenue District office.

Revenue Commissioners

Revised March 2007

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