

## Revenue Clarifications from TALC Collections – Offsets

June 2018

### Legislation:

Section 960H is the section of the TCA that covers offsetting of taxes and SI 471/2002 governs the order in which taxes should be offset.

### Tax & Duty Manuals:

Repayments and Offsets of Taxes and Duties. Link:

<https://www.revenue.ie/en/tax-professionals/tdm/income-tax-capital-gains-tax-corporation-tax/part-37/37-00-30.pdf>

Repayments and Offsets of Taxes and Duties- Connected persons. Link.

<https://www.revenue.ie/en/tax-professionals/tdm/income-tax-capital-gains-tax-corporation-tax/part-42/42-05-05.pdf>

**A number of returns include an option for the filer to 'offset' a tax refund to another taxhead or tax period. This is provided for refunds of VAT, Employers' PAYE or RCT.**

The following Tax and Duty Manual, Section 8, sets out the steps and ROS screens included.

<https://www.revenue.ie/en/tax-professionals/tdm/income-tax-capital-gains-tax-corporation-tax/part-38/38-06-01.pdf>

## 8. Refunds and Repayments

### 8.1 Offsets

A number of returns include an option for the filer to 'offset' a tax refund to another taxhead or tax period. This is provided for refunds of VAT, Employers' PAYE or RCT.

### 8.2 VAT Repayments – offsets

When filing a VAT3 return there is a facility on ROS to allow customers and agents to advise Revenue how they wish a resulting repayment to be dealt with.

When a customer or his agent is filing a VAT 3 return on ROS and the VAT 3 shows a repayment to the customer, the customer/agent has the option to offset the overpayment.

The ROS offset window provides a text box that the customer can use to include offset instructions for a VAT repayment claim that is being submitted. This offset facility applies to original, supplementary and amended returns. It is important that the customer/agent remembers to tick the offset refund box before submitting the return.

### 8.3 Employers' PAYE - P35 Repayments and Offsets

When a P35 return is filed on ROS showing an overpayment, the customer/agent will be presented with an option to claim the refund. Once the overpayment is claimed, it automatically undergoes an offset and refund validation check. Where liabilities exist in any tax head, an offset will be made against that liability and any remaining balance will either be refunded automatically or be reviewed by Revenue. In situations where the P35 overpayment is not claimed, a letter will be sent to the

customer/agent and an offset and/or refund will not take place without further contact and written instruction from the customer/agent.

#### *8.4 Income Tax (IT) Statement of Net Liability Offset on ROS*

When filing a Form 11 and Statement of Net Liabilities there is a facility to offset an overpayment arising in the year against Preliminary Tax for the following year. You should be aware this can be done when the return is being filed using the "Statement of Net Liabilities" function in ROS, however there appears to be a reluctance to use this function by agents. The creation of a MyEnquiries category is not permission to not offset using the statement of net liabilities. This is especially true of the cases where the refunds are auto approved, the refund might have issued before we even receive the enquiry or email. Some agents do ring the BT1890 before they make the return, to ask Revenue to stop the refund before it is on the system and goes out, Revenue input a stop on the period for offset purposes when they receive the request.

#### *Time limits on repayments and offsets*

A claim for repayment or offset cannot be allowed where it is made more than 4 years after the end of a tax year or accounting period.

#### **Contact Revenue: MyEnquiries**

Access MyEnquiries through ROS or MyAccount then Add New Enquiry and the two dropdown boxes will be available to populate.

Where Agents/Customers have queries follow this path/selection on My Enquiries

- Enter My Enquiries
- My Services (Customer) or Admin Services (Agent)
- Other Services
- Add New Enquiry
- 'My Enquiry Relates To' for example Employers' PAYE
- 'And More Specifically' P35 Overpayments (For PAYE/PRSI offsets or refunds.)

The pathway, if followed as outlined, should ensure that the query reaches the relevant area.

#### *VAT - Registered*

Dropdown 1: Enquiry relates to **Collector-General's**

Dropdown 2: More Specifically **VAT Repayments (Registered)**

#### *VAT - Unregistered*

Dropdown 1: Enquiry relates to **Collector-General's**

Dropdown 2: More Specifically **VAT Repayments (Unregistered)**

#### *Employers PAYE/PRSI/LPT/USC*

Dropdown 1: Enquiry relates to **Employers' PAYE**

Dropdown 2: More Specifically **P35 Overpayments**

### *Income Tax*

Dropdown 1: Enquiry relates to **Income Tax**

Dropdown 2: More Specifically **Repayment/Refund**  
**or Allocation of Payments/Payments transfer/Offset**

### *Corporation Tax*

Dropdown 1: Enquiry relates to **Corporation Tax (CT)**

Dropdown 2: More Specifically **Repayments**

### *Local Property Tax*

Dropdown 1: Enquiry relates to **Local Property Tax (LPT) Query**

Dropdown 2: More Specifically **Refund request**

### *Relevant Contracts Tax*

Dropdown 1: Enquiry relates to **Relevant Contracts Tax**

Dropdown 2: More Specifically **Offsets/Repayments**

**or RCT Repayments Non-Resident**