

Dependent Relative Tax Credit

Part 15-01-27

This document should be read in conjunction with section 466 of the Taxes Consolidation Act 1997

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Does not reflect current Revenue position.

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1. Introduction

Section 466 of the Taxes Consolidation Act 1997 (TCA 1997) provides that an individual may claim a tax credit if he or she maintains a relative or a relative of his or her spouse or civil partner at his or her own expense.

The income of this relative must not exceed a “[specified amount](#)” of €16,780 for the year of assessment 2023 - see [Section 5](#) for the specified amount for prior years.

Children of the claimant will not normally qualify as a dependent relative (see [section 3](#) for further information).

The tax credit of €70 for the years 2017 to 2020 inclusive was increased in Finance Act 2020 to €245 for 2021 and subsequent years.

Note: “Maintains at his or her own expense”, for the purposes of this section, means meeting the cost of everyday living. To qualify for the tax credit, the claimant must substantially maintain the relative in circumstances where the relative is unable to maintain themselves.

2. Who is a Dependent Relative?

The section provides for the granting of a tax credit to a person who proves for any year of assessment that he or she **maintains at his or her own expense** any of the relatives listed below, provided that the income of the claimant's relative or the relative of the claimant's spouse or civil partner does not exceed a "[specified amount](#)":

- (a) a relative of the claimant, or of the claimant's spouse or civil partner where that relative is incapacitated by old age or infirmity from maintaining himself or herself;

Example:

John maintains his incapacitated aunt, who is unable to look after herself. John can claim the dependent relative tax credit in respect of his aunt provided that his aunt's income does not exceed the specified amount (i.e. €16,780 for 2023).

- (b) the widowed father or widowed mother of the claimant or of the claimant's spouse or civil partner, or a parent of the claimant's civil partner who is a surviving civil partner, whether incapacitated or not;

Example:

Mary maintains her widowed mother who lives next door. Mary can claim the dependent relative tax credit in respect of her mother, provided her mother's income does not exceed the specified amount (i.e. €16,780 for 2023).

- (c) a son or daughter of the claimant or a son or daughter of the civil partner of the claimant, living with the claimant on whose services the claimant, by reason of old age or infirmity, must depend - see [section 3](#) for exclusions.

Example:

Ann is 35 and lives with her mother Joan, who is 80 and depends on Ann to look after her. Joan pays Ann's everyday living expenses. Joan can claim the dependent relative tax credit provided that Ann's income does not exceed the specified amount.

3. Who is not a Dependent Relative?

The following are not considered relatives for the purposes of section 466 TCA 1997:

- a relative whose income exceeds the “Specified Amount” of €16,780 for 2023 (see paragraph 5(a) for amount for previous years);
- a child under the age of 18 will not be a dependent relative for the purposes of this section unless that minor child is a carer for the claimant and lives with the claimant (see paragraph 2(c));
- an incapacitated child – the [incapacitated child tax credit](#) may be available for this relative. The dependent relative credit cannot be claimed in conjunction with the incapacitated child tax credit in respect of the same individual and where a claimant is eligible for both credits in respect of the same individual, the incapacitated child tax credit will be granted;
- a relative who is incapacitated by old age or infirmity from maintaining himself or herself but who is **not** maintained by the claimant;
- a widowed father or widowed mother of the claimant who is **not** maintained by the claimant.

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4. Residence

There is no requirement for the dependent relative to live in Ireland to qualify for this credit. However, the dependent relative must meet the other qualifying criteria such as the income threshold and being incapacitated by old age or infirmity from maintaining himself or herself or a widowed father, mother or civil partner of the claimant or of the claimant's spouse or civil partner. If you are claiming for a child on whose services you depend on, that child must live with you.

If you are claiming for a relative who resides outside the State, you must be able to prove that you provide assistance with meeting the cost of everyday living or the hiring of a carer, and that the relative is incapacitated by reason of old age or infirmity from maintaining himself or herself.

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5. Restrictions

- (a) A relative will not qualify as a dependent relative where the income of the relative exceeds the 'specified amount' provided in the section as follows:
- | | |
|------|---------|
| 2019 | €14,753 |
| 2020 | €15,060 |
| 2021 | €15,740 |
| 2022 | €16,156 |
| 2023 | €16,780 |
- (b) The dependent relative tax credit cannot be claimed in conjunction with the incapacitated child tax credit.
- (c) Where 2 or more individuals jointly maintain a dependent relative, the tax credit is divided between such individuals in proportion to the amounts expended by each individual in maintaining that relative.
- (d) Section 467 TCA 1997 prohibits an individual from claiming the dependent relative or incapacitated child tax credits in respect of the person who is employed as the carer.

Example

Ann is 35 and lives with her mother Joan, who is 80 and incapacitated and depends on Ann to look after her. Joan pays Ann's everyday living expenses. Joan claims the dependent relative credit in respect of Ann. Joan, therefore, cannot claim relief under section 467 TCA 1997 were she to employ Ann as her carer.

6. Specified Amount

The tax credit is reduced to nil where the dependent relative's income exceeds the "specified amount".

The "specified amount" is based on the State Pension (Contributory) at the maximum rate (under the Social Welfare Consolidation Act 2005), plus certain additional allowances - the aggregate of the maximum State Pension (Contributory) for an individual aged 80 or over, claiming the living alone allowance, the Island allowance plus €280. As stated above, the specified amount for the 2023 year of assessment is €16,780.

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7. How to claim

PAYE customers can make a claim in the current year using PAYE Services in [myAccount](#) as follows:

- sign into myAccount,
- click the 'Manage your tax 2023' link in PAYE Services,
- select 'add new credits',
- select 'Dependant relative tax credit' under the category 'You and your family',
- complete and submit the form.

PAYE customers can also make a claim for previous years by completing an Income Tax Return using [myAccount](#) as follows:

- click on 'Review your tax 2019 - 2022' link in PAYE Services,
- request 'Statement of Liability',
- click on 'Complete Income Tax Return',
- in the 'Tax Credits & Reliefs' page select 'You and your family' and 'Dependant relative tax credit' and add it as a credit,
- complete and submit the return.

A claimant who is unable to use [myAccount](#), can claim the credit by completing [Form DR1](#) (Claim for Dependent Relative Tax Credit) or [Form DR2](#) (Claim for a son or daughter or a child of your civil partner on whose services you depend).

Self-assessed individuals can claim the tax credit by completing the Dependent Relative section on their [Form 11](#) annual Income Tax Return at the end of the year.

As a claim may be selected for future examination, all supporting documentation relating to a claim should be retained for a period of six years from the end of the tax year to which the claim relates.