

# Capital Acquisitions Tax

## Collection and Enforcement Guidelines

This document was last updated November 2019

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## 1. Introduction

- 1.1. Capital Acquisitions Tax (CAT) is a tax charged on the taxable value of a gift or inheritance. The taxable value is arrived at by deducting from the market value of the property, comprised in the gift or inheritance, permissible debts and incumbrances and any consideration paid by the beneficiary.
- 1.2. Once the taxable value of the gift or inheritance has been determined, the amount of tax payable will depend on whether the appropriate tax-free threshold has been exceeded. If the relevant threshold is exceeded, the rate of tax is 33%. This rate was introduced on 6 December 2012.
- 1.3. The Finance Act 2010 introduced self- assessment rules for CAT, a new fixed Pay & File date of 31 October, for all valuation dates falling in the 12-month period commencing on 1st of September and ending on 31st August. An individual (beneficiary) is required to file an IT38 CAT Return where the total aggregable value of gifts / inheritances received on or after the 5th of December 1991 is in excess of 80% of the relevant tax-free group threshold. Such gifts and inheritances with a valuation date in the 12 months period ending on previous 31 August require to be returned by 31 October.

## 2. Role of staff in the Divisions

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## 3. Integrated Correspondence System (IC)

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## 4. Role of staff in the Collector-General's Division

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[...]

## 5. Contact List for RCM transfer of cases

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## 6. Due Dates

- **Payment of CAT - Prior to June 2010**

Prior to 14/06/2010 Gift Tax was payable four months after the “Valuation Date” which is normally the date of the gift.

Prior to 14/06/2010 Inheritance Tax was payable four months after the “Valuation Date”, which is normally the date the property comprised in the inheritance is or can be retained for the use of the beneficiary.

- **Payment of CAT – Post 14<sup>th</sup> June 2010**

**The Finance Act 2010** amended the pay and file rules in relation to CAT and is now in line with Income Tax self-assessment principles.

- For the year of assessment 2011 the pay and file date was 30 September 2011

**The Finance Act 2012** amended the Pay and File date for CAT from 30 September to 31 October. Therefore, all gifts and inheritances with a valuation date in the 12-month period ending on the previous 31 August will be included in the return to be filed by 31 October 2012.

Section 46 of CAT Act covers the due dates.

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The tax due in respect of any benefit taken with a **valuation date** in the period from:

- **01 January to 31 August** in any year shall be paid by 31 October in that year and a return, if required, shall be delivered on or **before 31 October of that year.**
- **01 September to 31 December** in any year shall be paid by 31 October in the following year and a return shall be delivered on or before 31 October **in the following year.**

## 7. Interest on Late Payments

- 7.1. CAT shall be due and payable on the valuation date. However, Section 51 (2)(a) CAT Act states that interest on late payment will be charged from 1<sup>st</sup> November for payments due to be made for the period 1<sup>st</sup> January to 31<sup>st</sup> August of the same year. For the period 1<sup>st</sup> September to 31<sup>st</sup> December interest will be charged from 1<sup>st</sup> November of the following year.

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- 7.3. Daily interest rates for Capital Acquisitions Tax.

In accordance with Section 51(1) of the Capital Acquisitions Tax Consolidation Act (CATCA) 2003 (as amended) CAT becomes due on the valuation date and interest will not be charged if payment is made within any of the periods following the valuation date as set out in Section 51. Where payment is not made within the specified period, simple interest is payable, without deduction of Income Tax, for the period from the valuation date to the date of payment.

### Standard Interest Rates:

The daily interest rates applicable are as follows:

Valuation Period	% Interest Due
From 31/03/76 to 31/07/78	0.0492%
From 01/08/78 to 31/03/98	0.0410%
From 01/04/98 to 31/03/05	0.0322%
From 01/04/05 to 30/06/09	0.0273%
From 01/07/09 to date of payment	0.0219%

Under Section 51(6) of the CATCA 2003 payments on account may be made at any time and interest will not run from the date of such payment on so much of the payment as is applied against tax.

### Agricultural/Business Rates – Instalment Arrangements Cases.

Separate interest rates apply where Instalment Arrangements are entered into in relation to Agricultural or Business Property (Section 55 of the CATCA 2003).

The interest rates that apply are:

**Valuation Period****Interest Due**

From 08/02/95 to 31/03/1998	0.0307%
From 01/04/98 to 31/03/2005	0.0241%
From 01/04/2005 to 30/06/09	0.0204%
From 01/07/2009 to date of payment	0.0164%

As part of the self-assessment obligations imposed on a taxpayer he/she must calculate any interest due and must include payment of the tax and interest due when submitting the return form.

7.4. In respect of period prior to 14 June 2010:

Interest is due from the valuation date, however if the accountable person made a self-assessment return and filed the return, made the self-assessment required and paid the tax then interest is not charged if the return and tax is paid within 4 months of the valuation date.

7.5. In respect of periods from 14 June 2010:

Interest is due from the return filing date. Where the interest rate is other than the standard interest rate (i.e. Instalment Arrangements in respect of agricultural and/or business property, the summary will include the rate of interest for the case and will be input by the Division

## 8. Final Demand

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[...]

## 9. Enforcement

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[...]



## 10. Attachment

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[...]

## 11. Stop 11

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[...]

## 12. State of File

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[...]

## 13. Revenue Case Management

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## 14. Instalments

The vast majority of taxpayers discharge their capital acquisitions tax liability by direct payment when they submit their self-assessed taxes return. In the small number of cases where this does not occur, there are other payment options available. These are:

- Statutory instalments
- Non-statutory instalments

### 14.1 Payment by Statutory Instalments – Section 54 CATCA 2003

Section 54 CATCA 2003 as amended by FA 2010 provides for the payment of tax by means of 60 equal monthly instalments where a beneficiary takes:

- an absolute interest in immovable property

- agricultural property consisting of land, buildings and farm machinery
- relevant business property **or** a limited interest taken in any property.

Taxpayers may opt for this method of payment when completing their self-assessment tax return. Where the option to pay by 60 monthly instalments is exercised, the first instalment is due and payable on 31<sup>st</sup> October immediately following the valuation date.

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[...]

Where the inheritance or gift is comprised of both personalty (cash, stocks and shares, bank accounts etc.) and real property (lands, buildings), then any tax on the former must be paid immediately, (except in the case of a limited interest) and the option of paying by statutory instalments may be availed of to discharge the liability on the latter. Where a person takes a limited interest in property and dies before the 5- year statutory instalment period has expired, any instalments not due are written off and tax paid may be recoverable as an overpayment under section 57. **This applies whether or not Instalment Arrangements were entered into.** Where the instalment option is availed of, interest on the outstanding tax accrues under section 51.

#### 14.2 Payment by Non- Statutory Instalments

This method of payment is granted on a concessionary basis in exceptional circumstances where the tax liability cannot be paid without causing excessive hardship. In arriving at a decision to allow non-statutory instalments, a case is looked at on its merits taking the following criteria into account:

- The nature of the gift or inheritance- where, for example, a sizeable part of the benefit comprises liquid assets, then an instalment arrangement is not normally approved
- The financial circumstances of the beneficiary

The conditions applying to non-statutory instalments normally are that: Interest continues to accrue on the unpaid tax. Payments are applied against interest in the first instance. Payments must be made on the agreed due date. The arrangement is entered into on a without prejudice basis.

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## Appendix 1 - Final Demand Template

**Date:**

**Registration Number(s):**

Recipient name:

Recipient Address

### **Final Demand Re: Capital Acquisitions Tax**

Dear Sir/Madam,

I hereby request payment of €XX in respect of Gift/Inheritance tax liability. A schedule detailing the amount due is attached. Interest on the amounts due has been accruing from the due dates shown, at the appropriate rate.

Failing payment within 7 days the amount in question may:

- ☐ be the subject of Court proceedings for recovery of the debt due  
[Section 960I of the Taxes Consolidation Act 1997 refers]
- ☐ be referred to the Sheriff or County Registrar with a view, where necessary, to the seizure of goods to the value of the debt due and any fees and expenses due to the Sheriff/County Registrar  
[Section 960L of the Taxes Consolidation Act 1997 refers]
- ☐ be the subject of a direction, as specified in a notice of attachment, to a third party who owes you money, to pay to Revenue rather than direct to you an amount equivalent to the amount due by you to Revenue  
[Section 1002 of the Taxes Consolidation Act 1997 refers].

Any such action will be taken without further warning.

The amount of interest due up to the date of the Court hearing, or referral to the Sheriff, or notice of attachment as appropriate, will be specified and that interest will be collected as if it were tax. Future instances of late payment will also attract interest that will have to be paid by you.

Any further action taken to collect the debt now due may involve significant costs including professional fees. These costs will have to be paid by you so it is in your interest to deal with this matter now without delay.

Yours faithfully,

\_\_\_\_\_  
Name of Caseworker

Direct Line:

Fax:

e-mail



**Schedule of Outstanding Taxes**

Name of Recipient

**Please note that interest has been accruing at the appropriate rate from the due dates on the schedule**

Date:

Reg No	Tax	Period	Due Date	Charge	Amount
	CAT	01/09/yyyy - 31/08/yyyy	31/10/yyyy		

**PAYMENT METHODS****Revenue On-Line Service (ROS)**

ROS customers can make Gift or Inheritance Tax payments on-line for either themselves or a beneficiary. To access ROS (or to register for ROS), click on the ROS link on the Revenue home page at [www.revenue.ie](http://www.revenue.ie)

**MyAccount**

MyAccount customers can make Gift or Inheritance Tax payments on-line for either themselves or a beneficiary by clicking on the MyAccount link on the Revenue home page. You can register for MyAccount on the "Register for MyAccount" link on [www.revenue.ie](http://www.revenue.ie)

On the ROS or MyAccount payment screen, click 'Capital Acquisitions Tax' and proceed through the step-by-step guide.

Payment can be made online using:

- debit card or credit card,
- 'Single Debit Instruction' which is a once off debit using a bank account capable of accepting a direct debit.

## Appendix 2 - How to pay your Capital Acquisitions Tax (CAT) online

It is possible to pay your CAT either for yourself or on behalf of a beneficiary via the following methods.

If you are using a standard [Revenue Online Service \(ROS\)](#) digital certificate, you can pay by:

- Single Debit Instruction (SDI)
- Debit/Credit Card

Customers not registered for ROS can make a payment through [myAccount](#).

If you are a non-resident and do not have a SEPA reachable bank account, you can pay by Electronic Funds Transfer (EFT).

You should make EFT payments to:

Office of the Revenue Commissioners – UTD EFT – Public Bank Account

Danske Bank

International House

3 Harbourmaster Place

IFSC, Dublin 1

IBAN: IE37DABA95159920003514

BIC: DABAIE2D

When paying by EFT:

The Customer must include their name and Registration number in the banks narrative box in order to ensure correct and prompt allocation of funds to their customer record.

As soon as you make the payment, e-mail [moneytrans@revenue.ie](mailto:moneytrans@revenue.ie) with the following details:

- customer name
- Personal Public Service Number (PPSN)
- amount of payment
- whether payment is for Gift or Inheritance Tax
- the period covered by the payment.

## Online Payment Service – CAT Payment Screen

The screenshot displays the 'Payments' section of the ROS (Revenue Online Service) interface. At the top, there is a navigation bar with the Revenue logo, the word 'Payments', and a 'Sign out' button. Below this, a 'Select a Tax to pay' section lists three tax categories: Capital Acquisitions Tax, Income Tax, and PAYE Employer. Each category has a link to 'What is [Tax Name]' and an 'Add Payment' button. A 'Show more taxes(17)' link is also present. Below the list, the 'Total I wish to pay:' is shown as '€0.00'. At the bottom, there are 'Next' and 'Back' buttons.

Revenue  
Click your account via Information  
First, Tax and Customs

Payments

← Back to Home Page

### Select a Tax to pay

Capital Acquisitions Tax ▶ <a href="#">What is Capital Acquisitions Tax</a>	<a href="#">Add Payment →</a>
Income Tax ▶ <a href="#">What is Income Tax</a>	<a href="#">Add Payment →</a>
PAYE Employer ▶ <a href="#">What is PAYE Employer</a>	<a href="#">Add Payment →</a>

↓ [Show more taxes\(17\)](#)

Total I wish to pay:

**€0.00**

[Next →](#)

← Back

Figure 1: Screenshot showing ROS payments screen

## Capital Acquisitions Tax

### Payment Year

Please select a year

2016

### Payment Period

2015-09-01 - 2016-08-31

### Beneficiary PPSN

Please enter beneficiary PPSN

### CAT Inheritance

Please enter an amount for  
CAT Inheritance

€ 500

### CAT Gift

Please enter an amount for  
Gift Inheritance

€ 0.00

**Add Payment →**

You will have a chance to review your  
payment before it is paid

Figure 2: Screenshot showing CAT payment details screen

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