

# Capital Acquisitions Tax

## Collection and Enforcement Guidelines

This document was updated in June 2021

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A more recent version of this manual is available

**Table of Contents:**

|  |    |
|--|----|
| 1. Introduction .....  | 3  |
| 2. Collection Issues (Phased Payment Arrangements and Voluntary Judgment Mortgage) ..... | 4  |
| 3. Interest on Late Payments .....   | 7  |
| Appendix 1 – Request for Payment Template .....  | 9  |
| Appendix 2 - Final Demand Template .....   | 11 |
| Appendix 3 - How to pay your Capital Acquisitions Tax (CAT) online .....                 | 13 |

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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 calculated by deducting certain reliefs and other deductions from the value of the property, at the valuation date, as well as 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 depends on whether the appropriate tax-free threshold has been exceeded. If the relevant threshold is exceeded, the rate of tax applied is 33%. This rate was introduced on 6 December 2012.
- 1.3. The Finance Act 2010 introduced self-assessment rules for CAT and a new fixed Pay & File date of 31 October for all valuation dates falling in the 12-month period commencing 1st September and ending on 31st August. An individual (beneficiary) is required to file an IT38 CAT Return Form where the total value of all gifts and or inheritances received on or after the 5th 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 must be returned by 31 October.

### 1.4. CAT Thresholds

Historic thresholds are displayed in the following table:

| Tax-free thresholds                 |          |         |         |
|-------------------------------------|----------|---------|---------|
|                                     | Group A  | Group B | Group C |
| On or after 9 October 2019          | €335,000 | €32,500 | €16,250 |
| 10 October 2018 - 08 October 2019   | €320,000 | €32,500 | €16,250 |
| 12 October 2016 - 09 October 2018   | €310,000 | €32,500 | €16,250 |
| 14 October 2015 - 11 October 2016   | €280,000 | €30,150 | €15,075 |
| 06 December 2012 - 13 October 2015  | €225,000 | €30,150 | €15,075 |
| 07 December 2011 - 05 December 2012 | €250,000 | €33,500 | €16,750 |

You do not have to pay tax on a gift or inheritance if its value is below a particular group threshold. The threshold you use depends on your relationship to the person who gave you the gift or inheritance. You must pay tax on any remaining value above that threshold.

There are three group thresholds that apply from November 2011:

#### Group A

A son or daughter of the person giving the gift or inheritance (the disponent).

#### Group B

A parent, brother, sister, niece, nephew, grandparent, grandchild, lineal ancestor or a

lineal descendant of the disponer.

### Group C

Everyone else.

## 1.5. Due Dates for Pay and File of CAT Liability

Section 46 of the CAT Consolidation Act covers the due dates for payment of any CAT liability that arises.

### Payment of CAT – Prior to 14<sup>th</sup> 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 was normally the date the inherited property was or could be retained for the use of the beneficiary.

### Payment of CAT – From 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<sup>th</sup> September 2011.

The **Finance Act 2012** amended the pay and file date for CAT to 31<sup>st</sup> October. All gifts and inheritances with a valuation date in the 12-month period ending on the previous 31<sup>st</sup> August should be included in the return IT 38 Form to be filed on the same 31<sup>st</sup> October in each year.

The following material is either exempt from or not required to be published under the Freedom of Information Act 2014.

[...]

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

**01 January to 31 August** in any year is paid by 31 October in that year and a return, if required, is delivered on or **before the same 31 October**

**01 September to 31 December** in any year is paid by 31 October in the following year and a return is delivered on or before the same 31 October.

## 2. Collection Issues (Phased Payment Arrangements and Voluntary Judgment Mortgage)

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
- ❖ Registration of the debt as a voluntary judgment mortgage

## 2.1 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 a maximum 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 up to 60 monthly instalments is exercised, the first instalment is due and payable on 31<sup>st</sup> October immediately following the valuation date and interest (calculated in accordance with section 51) must be paid with each instalment.

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 Phased Payment (Instalment) Arrangements were entered into.**

Where the instalment option is availed of, interest on the outstanding tax accrues under section 51

## 2.2 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 own 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 a Phased Payment 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.

### 2.3 Registration of the debt as a Voluntary Judgment Mortgage

Payment of the tax may be postponed in exceptional circumstances, on a concessional basis. This may be allowed where payment of the tax would cause excessive hardship for a beneficiary such as, a beneficiary having to sell their home to pay the tax and where payment of instalments would not be a practical alternative. The agreement to postpone payment is subject to an agreement by the parties concerned to the registration of the debt as a Voluntary Judgment Mortgage on the property.

Interest will continue to accrue on the registered amount.

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[...]

### 3. Interest on Late Payments

- 3.1 CAT is due and payable on the valuation date. Interest on Late Payment is 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 is charged from 1<sup>st</sup> November of the following year.

The following material is either exempt from or not required to be published under the Freedom of Information Act 2014.

[...]

#### 3.3 Daily Interest Rates for CAT

As stated in 3.1 above, 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 of the CAT Act. 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   | Daily Interest Rate |
|--|---------------------|
| 1 <sup>st</sup> March 1976 to 31 <sup>st</sup> July 1978   | 0.0492%             |
| 1 <sup>st</sup> August 1978 to 31 <sup>st</sup> March 1998 | 0.0410%             |
| 1 <sup>st</sup> April 1998 to 31 <sup>st</sup> March 2005  | 0.0322%             |
| 1 <sup>st</sup> April 2005 to 30 <sup>th</sup> June 2009   | 0.0273%             |
| 1 <sup>st</sup> July 2009 to Date of Payment               | 0.0219%             |

Payments on account can be made at any time and interest will not be charged after the date of any such payment.

#### Agricultural and/or Relevant Business Property Interest Rates – Phased Payment Arrangement Cases

Separate interest rates apply where Phased Payment Arrangements are entered into in relation to Agricultural and or Business Property (Section 55 of the CATCA 2003). The rates that apply are as follows:

| Valuation Period | Daily Interest Rate |
|------------------|---------------------|
|------------------|---------------------|

|   |         |
|---|---------|
| From 8 <sup>th</sup> February 1995 to 31 <sup>st</sup> March 1998 | 0.0307% |
| From 1 <sup>st</sup> April 1998 to 31 <sup>st</sup> March 2005    | 0.0241% |
| From 1 <sup>st</sup> April 2005 to 30 <sup>th</sup> June 2009     | 0.0204% |
| From 1 <sup>st</sup> July 2009 to date of payment                 | 0.0164% |

As part of the self-assessment obligations, a taxpayer must calculate any interest due on the outstanding CAT liability and must include payment of the tax and interest due when submitting the Form IT38.

#### 3.4 For periods prior to 14 June 2010:

Interest is due from the valuation date. However, if the beneficiary submits his self-assessment return on time and pays the tax on time, then interest is not charged if the return and tax is paid within 4 months of the valuation date.

#### 3.5 For 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. Phased Payment Arrangements in respect of agricultural and or business property), the summary includes the rate of interest for the case and is input by the Division.

The following material is either exempt from or not required to be published under the Freedom of Information Act 2014.

[...]



## Appendix 1 – Request for Payment Template

XXXXXXXXXXXX

XXXXXXXXXXXX

XXXXXXXXXXXX

Date:

Customer No: xxxxxxxx

### Request for Payment

Dear Sir/Madam,

My records show that you have an amount of **€0.00** tax due as shown on the next page.

If you have recently made full payment, thank you.

Without further notice, we can use enforcement measures to collect the debt. You will be liable to payment of enforcement costs in addition to payment of the tax.

Please note that interest accrues on unpaid tax.

Yours sincerely,

---

CAT Unit, Collector – General's

065-90xxxxx

**Tax Due**

| Reg No         | Description | Period | Due Date | Charge | Balance Due € |
|----------------|-------------|--------|----------|--------|---------------|
|                | CAT         |        |          |        |               |
| <b>TOTAL :</b> |             |        |          |        |               |

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## Appendix 2 - 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 CG 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 -<br>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 3 - 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 bank's 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

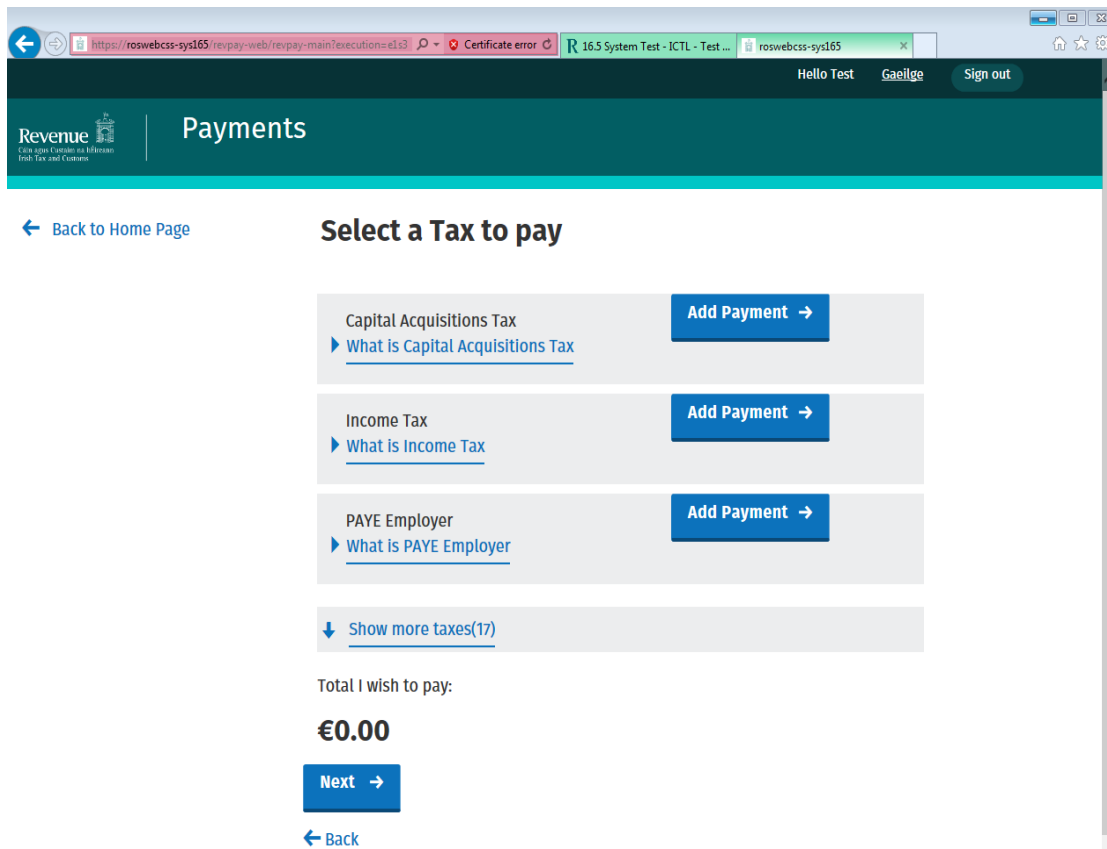


Figure 1: Screenshot showing ROS payments screen

### Capital Acquisitions Tax ✕

#### Payment Year

Please select a year

#### Payment Period

#### Beneficiary PPSN

Please enter beneficiary PPSN

#### CAT Inheritance

Please enter an amount for  
CAT Inheritance

#### CAT Gift

Please enter an amount for  
Gift Inheritance

[Add Payment →](#)

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

Figure 2: Screenshot showing CAT Payment details screen