Collection Manual

Write-Out of Uncollectable Tax Debts

Document reviewed March 2022

A more recent version of this manual is available

Revenue
Cáin agus Custaim na hÉireann
Irish Tax and Customs

The information in this document is provided as a guide only and is not professional advice, including legal advice. It should not be assumed that the guidance is comprehensive or that it provides a definitive answer in every case.

Write-Out Guidelines – Preface

The primary function of Revenue is the collection of tax. This includes ensuring that the system is administered in a fair and equitable manner and that all taxpayers pay the correct amounts due on a timely basis.

However, it is inevitable that circumstances or situations will arise where collection of the tax due is not possible for numerous reasons or, that the amount owed cannot be collected without a disproportionate cost to Revenue.

In such circumstances Revenue can pass the tax as irrecoverable. Before any tax debt is dealt with in this manner Revenue caseworkers are required to follow very strict guidelines when completing the process.

The majority of cases passed as irrecoverable are on foot of insolvency situations, where Revenue is compelled to accept reduced payment in accordance with the legal process. Disproportionate cost of debt collection/enforcement action and difficult financial circumstances may also be factors.

The most likely types of scenarios where tax can be passed as irrecoverable include:

- Liquidations
- Receiverships
- Bankruptcies
- Personal Insolvencies
- Examinerships
- Deceased and Estate is insolvent
- Unfounded liability
- Taxpayer cannot be traced or is outside the jurisdiction and recovery is not possible
- Compassionate grounds/financial circumstances of the taxpayer
- Ceased trading - no assets
- Uneconomic to pursue

Revenue always reserves the right to reinstate a tax debt. This would normally happen where a taxpayer's situation improves to the extent that it becomes possible to pay the outstanding debt.

A more recent version of this manual is available.

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

[…]

A more recent version of this manual is available.

A more recent version of this manual is available.