

Deposit Interest Retention Tax - Repayments to Individuals

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Summary

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Section 267 Taxes Consolidation Act 1997 provides that, in certain circumstances, deposit interest retention tax may be repaid to certain individuals. This instruction sets out the procedures and arrangements for dealing with repayment claims.

Individuals will be entitled to repayment if:

(A) they or their spouse or civil partner (if appropriate) are aged 65 years or over throughout the year of assessment (or became so at some time in the year)

or

(B) they or their spouse or civil partner (if appropriate) were, throughout the year of assessment permanently incapacitated (or became so at some time in the year)

and

(C) DIRT deducted exceeds total liability.

Claims for a repayment of Deposit Interest Retention Tax (DIRT) should be made by completing a [Form 54 Claims](#). This form is available by phoning 01 738 36 75, or from any Revenue office, or from our website www.revenue.ie. The form should be submitted to the individual's Revenue office.

Finance Act 2007 introduced new arrangements whereby interest earned on money on deposit may be credited directly to savings accounts by the Financial Institutions without deduction of DIRT, provided the individual meets the conditions set out above.

The individual aged 65 or over may apply directly to the Financial Institution to have the interest paid without deduction of DIRT by completing a [Form DE1](#). This form is available from all financial institutions, from some Citizens Information Centres, from any Revenue office or by phoning 01 738 36 75. A separate declaration form is required for each account that is held with each financial institution.

A permanently incapacitated individual may apply to his or her local Revenue district by completing Form [DE2](#). This form is available from all Revenue offices and from certain organisations dealing with disabilities.

A joint account will only qualify for the DIRT exemption where the qualifying account holders are husband and wife or civil partners.

If an individual wishes to have a joint account exempted from DIRT, she or he must provide the full names of the two account holders on the declaration form.

Also, joint accounts with more than two account holders will not qualify. The declaration must be signed by the account holder (both persons in the case of joint accounts). It may also be signed by a person who holds power of attorney from the account holder.

Where an individual's annual income marginally exceeds the annual exemption limit, she or he may be entitled to a refund of some of the DIRT that is deducted on any interest paid. In that event, the deposit interest will not qualify for exemption from DIRT, but the individual can apply to Revenue for a refund of DIRT at the end of the year.

Similarly, if an individual's total income is greater than the exemption limit but his or her tax credits etc., would entitle him or her to a partial or full repayment of DIRT, she or he can apply to Revenue for a refund of DIRT at the end of the year.

In both of these situations the account holder can apply for a refund by completing a [Form 54 Claims](#) and returning it to their local Revenue Office who will determine if any refund is due.

The income tax exemption limit and associated marginal relief for individuals aged under 65 years has been abolished since 1 January 2008.

Note "Permanent Incapacity" may be interpreted as a mental or physical infirmity of a permanent nature, which so reduces a person's mental or physical capacity that he or she is unable to maintain himself or herself. In some cases, it may be inferred from the nature of the person's income.

Information regarding [Incapacitated Child Credit](#) may be of assistance.