Stamp Duties Consolidation Act 1999

Part 9: Levies

This document should be read in conjunction with Part 9 of the Stamp Duties Consolidation Act (SDCA) 1999.

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Revenue
Cáin agus Custaim na hÉireann
Irish Tax and Customs

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1. Introduction

Part 9 of the Stamp Duties Consolidation Act (SDCA) 1999 provides for stamp duty to be levied on certain transactions. This document provides general guidance on the provisions of Part 9. It should be read in conjunction with:

- Part 9 SDCA 1999;
- Revenue's Notes for Guidance for Part 9 SDCA 1999;
- Revenue's Guidance Notes for Financial Institutions Stamp Duty on Financial Cards.

2. Section 123B – Cash, combined and debit cards

Section 123B provides for the following stamp duty charges on cash withdrawals:[1]

Type of card	**Charge**
Cash (ATM) card	€0.12 for each cash withdrawal from an ATM in the State subject to a maximum charge of €2.50
Combined Cash/Debit card (only cash function used)	€0.12 for each cash withdrawal from an ATM in the State subject to a maximum charge of €2.50
Combined Cash/Debit card (both functions used)	€0.12 for each cash withdrawal from an ATM in the State subject to a maximum charge of €5.00

The stamp duty is payable by "promoters" (as defined in the section), which includes most financial institutions and credit institutions, excluding credit unions and An Post and its subsidiaries. The promoter is entitled to apply the charge to the account on which the card is issued.

The chargeable period is aligned with the calendar year. The due date for submitting statements detailing the stamp duty payable, and for paying the stamp duty, is 31 January following the end of the chargeable period.[2]

Section 61 of Finance Act 2021 (as amended) introduced a requirement for statements to be submitted electronically. This requirement applies to statements

[1] Prior to 2016, stamp duty was charged at the fixed rate of €2.50 in the case of cash cards, debit cards and combined cards where only one function (cash or debit) was used during the year. In the case of combined cards, stamp duty at the fixed rate of €5.00 applied where both functions were used during the year.

[2] Section 123C SDCA 1999 provided for the payment of a preliminary duty in respect of cash, combined and debit cards. This section was repealed by section 61 of Finance Act 2021 (as amended by section 70 of Finance Act 2022), with effect from 1 January 2023.

due in respect of the chargeable period 2022 and each subsequent chargeable period.

Subsection (3) provides for an exemption from the stamp duty charge for a cash card, a debit card or a combined card issued in respect of a "basic payment account".

A "basic payment account" refers to a "card account":

- which is issued to an account holder who, in the 3 years prior to applying to open the account, did not hold a card account or held a card account but no account holder-initiated transactions occurred on it,
- where, in respect of every 2 consecutive quarters, all amounts paid into the card account (other than amounts paid to the account holder by electronic funds transfer under the Social Welfare Acts) do not exceed €4,500 in each quarter, and
- which is a standard bank account with Allied Irish Banks plc, Bank of Ireland or Permanent TSB plc.

A "card account" refers to an account maintained by a promoter to which amounts of cash obtained by a person by means of a cash card are charged (i.e. a cash card) or amounts in respect of goods, services or cash obtained by a person by means of a combined card or debit card are charged (i.e. a combined card or debit card).

3. Section 123D – Bills of Exchange

Bills of exchange generally refer to cheques and bank drafts. A stamp duty charge applies to bills of exchange drawn on accounts in the State. Stamp duty of €.50 is payable in respect of cheques and drafts supplied by promoters (credit or financial institutions). This levy was introduced in Finance Act 2021 (as amended) and applies with effect from 1 January 2023. It replaces the Bills of Exchange head of charge in Schedule 1 SDCA 1999, which provided for the same charge to be applied and was deleted by Finance Act 2021.

The year of charge coincides with the calendar year. Statements detailing the number of bills of exchange liable to stamp duty for the year of charge must be delivered electronically together with payment within one month of the end of that year. Financial Institutions have the option of deciding in the first year of charge if they wish to account for bills of exchange on a processed or issued basis. Once an option has been made, it cannot be changed.

Where a promoter submits a late or incorrect statement, they will be liable to a surcharge calculated in accordance with section 126C. In addition, any unpaid stamp duty will accrue interest from the date the stamp duty was due to the date the duty is paid in accordance with section 159D.

4. Section 124 – Credit cards and charge cards

Section 124 provides for stamp duty charges in respect of credit card accounts and charge cards. The charges in respect of credit card accounts are payable by "banks" (as defined in the section), which includes most financial institutions and credit institutions, excluding credit unions and An Post and its subsidiaries. The charges in respect of charge cards are payable by the issuers of the charge cards, referred to as "promoters".

4.1 Meaning of credit card

A "credit card" is a card **issued by a bank** to an individual having an address in the State by means of which goods, services **and** cash may be obtained by the individual and amounts in respect of the goods, services and cash may be charged to the account. The duty is payable by a bank in respect of each credit card **account** maintained by that bank at any time during the chargeable period.

To be within the charge, the card must be issued to an individual who has an address in the State (where the billing address is located, is not of any consequence). A card issued by a foreign bank to such an individual comes within the charge while a card issued by any bank to a person outside the State does not.

4.2 Meaning of charge card

A "charge card" is a card (other than an "in-house card") **issued by a person** (referred to as "a promoter") to an individual having an address in the State by means of which goods, services **or** cash may be obtained by the individual and amounts in respect of the goods, services **or** cash may be charged to the account. The duty is payable by a bank or promoter at the rate of €30 in respect of **each charge card**, and supplementary cards are included in the number of cards shown in the statement.

4.3 Pay and file obligations

Section 61 of Finance Act 2021 (as amended) made certain changes to section 124, which had an impact on the chargeable period and pay and file due dates. Prior to these changes, the chargeable period ran from 2 April to 1 April of the following year. An overview of these changes is set out below:

Chargeable period	Stamp duty charge	Statement and payment due date
2 April 2022 to 1 April 2023	€30[3]	1 July 2023
2 April to 31 December 2023	€22.50	31 January 2024
1 January to 31 December 2024 (and each 12-month period thereafter)	€30	31 January 2025 (and 31 January following the end of each chargeable period thereafter)

The stamp duty charges set out above are applied in the case of credit cards to each

[3] Section 124A SDCA 1999 provided for the payment of a preliminary duty in respect of credit and charge cards. This section was repealed by section 61 of Finance Act 2021 (as amended by section 70 of Finance Act 2022) with effect from 1 January 2023.

credit card account held by a person and in the case of charge cards to each charge card held by a person.

The Finance Act 2021 (as amended) introduced a requirement to deliver statements electronically, which applies to statements in respect of the chargeable period 1 January to 31 December 2024 and each chargeable period thereafter.

Where a bank or promoter submits a late or incorrect statement, they will be liable to a surcharge calculated in accordance with section 126C. In addition, any unpaid stamp duty will accrue interest from the date the stamp duty was due to the date the duty is paid in accordance with section 159D.

5. Section 124B – Certain premiums of life assurance

Section 124B provides for a levy of 1% on life assurance premiums. For each quarter, commencing with the quarter ending on 30 September 2009, an insurer must deliver to Revenue a statement showing the assessable amount for the insurer for the quarter.

The insurer must deliver a statement by electronic means within 25 days of the end of each quarter and the statement must be accompanied by the amount of stamp duty payable.

The assessable amount for the quarter ending 30 September 2009 is the amount of premiums received by the insurer on or after 1 August 2009 for contracts of assurance, whenever entered into by an insurer.

For subsequent quarters, the assessable amount is the amount received by the insurer for contracts of assurance, whenever entered into by an insurer.

Where an insurer submits a late or incorrect statement, they will be liable to a surcharge calculated in accordance with section 126C. In addition, any unpaid stamp duty will accrue interest from the date the stamp duty was due to the date the duty is paid in accordance with section 159D.

Pensions and reinsurances businesses are excluded from the levy.

6. Section 125 – Certain premiums of insurance

Section 125 provides for a stamp duty of 3% on the gross amount received by an insurer in respect of certain non-life insurance premiums. The exceptions are re-insurance, voluntary health insurance, marine, aviation and transit insurance, export credit insurance and certain dental insurance contracts.

The insurer must deliver a statement by electronic means within 25 days of the end of each quarter and the statement must be accompanied by the amount of stamp duty payable.

Where an insurer submits a late or incorrect statement, they will be liable to a surcharge calculated in accordance with section 126C. In addition, any unpaid stamp duty will accrue interest from the date the stamp duty was due to the date the duty is paid in accordance with section 159D.

7. Section 125A– Levy on authorised insurers

Section 125A provides for a levy on health insurers in respect of health insurance contracts in the context of risk equalisation in relation to the health insurance industry. Further information on section 125A is available in the Section 125A: Levy on authorised insurers Tax and Duty Manual.

8. Section 125C– Policies of insurance other than life insurance

Section 125C provides for a quarterly levy of €1 stamp duty on insurance policies where the risk is located in the State and the premium or premiums payable over a period of 12 months is €20 or greater. This levy replaces the €1 stamp duty on insurance policies previously provided for in Schedule 1 SDCA.

For each quarter, commencing with the quarter ending on 31 March 2022, an insurer must deliver to the Revenue Commissioners a statement showing the assessable amount for the insurer for the quarter. The statement must be delivered by electronic means within 25 days of the end of each quarter and must be accompanied by the amount of stamp duty payable.

Where an insurer submits a late or incorrect statement, they will be liable to a surcharge calculated in accordance with section 126C. In addition, any unpaid stamp duty will accrue interest from the date the stamp duty was due to the date the duty is paid in accordance with section 159D.

9. Section 126AA– Levy on certain financial institutions

Section 126AA provided for a stamp duty to be levied on certain financial institutions (known as the bank levy) up until the year 2023. Further information on section 126AA is available in the Section 126AA: Further levy on certain financial institutions Tax and Duty Manual.

10. Section 126AB– Levy on certain financial institutions

Section 126AB provides for a stamp duty to be levied on certain financial institutions (known as the revised bank levy). Further information on section 126AB is available in the Section 126AB: Further levy on certain financial institutions Tax and Duty Manual.

11. Section 126B – Assessment of duty charged on statements

Section 126B provides that Revenue may make an assessment in relation to the stamp duties levied under Part 9, should the need arise. The section applies to a "relevant person", meaning a person that is required to deliver a statement under Part 9.

Revenue has the power to make an assessment where a relevant person fails to deliver a statement or has delivered an incorrect statement. Where such an assessment is made, the relevant person is liable for the stamp duty assessed, plus any interest and penalties due, where appropriate. If the required statement is submitted after an assessment has been made, or if appears that the assessment was incorrect, or underassessed, Revenue can substitute a revised assessment.

A person aggrieved by an assessment can appeal the assessment to the Appeal Commissioners. The right of appeal is conditional on –

- the person paying the stamp duty as per the assessment; or
- where the assessment was made due to the failure to deliver a statement, where the person subsequently delivers the statement.

A person intending to appeal must give notice in writing to the Appeal Commissioners within 30 days of the date of the assessment.

12. Section 126C– Surcharge for late filing of return

Section 126C provides for a surcharge to be applied for the late filing of a return. The provision was introduced by the Finance Act 2021 and came into operation on 1 January 2022. The section applies to a "relevant person", meaning a person that is required to deliver a statement to Revenue under Part 9.

For the purposes of the section, a relevant person will be deemed to have failed to have delivered a statement by the due date where:

- The relevant person (or a person acting on their behalf) files an incorrect statement either deliberately or carelessly on or before the due date, unless the error is corrected on or before that date.
- The relevant person (or a person acting on their behalf) files an incorrect statement on or before the due date, but does so neither deliberately nor carelessly, and it comes to that person's notice that it is incorrect, unless the error in the statement is corrected without unreasonable delay.
- The relevant person (or a person acting on their behalf) files a statement on or before the due date, but Revenue is dissatisfied with any information in the statement and make a written request to that person to deliver a statement or evidence (or further statement or evidence), unless the person delivers the statement or evidence (or further statement or evidence), within the time specified in the notice.

Where a relevant person fails to file a statement by the due date, the amount of stamp duty which would have been payable had a correct statement been delivered will be increased by an amount (the late filing surcharge) which is equal to:

- Where a correct return is filed within 2 months after the due date, 5% of the duty included in the correct statement - subject to a maximum of €12,695.

- Where a correct return is filed 2 months or more after the due date, 10% of the duty included in the correct statement - subject to a maximum of €63,485.