

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

Document last reviewed December 2018

Table of Contents

1.	Introduction	3
2.	Section 123B of the SDCA – Cash, combined and debit cards	3
3.	Section 124 of the SDCA – Credit cards and charge cards	3
4.	Section 124B of the SDCA – Certain premiums of life assurance	4
5.	Section 125 of the SDCA – Certain premiums of insurance	4
6.	Section 125A of the SDCA – Levy on authorised insurers	4
7.	Section 125B of the SDCA – Levy on pension schemes	5
7.1	Chargeable person	6
7.2	Chargeable amount	6
	7.2.1 Limited Exception to 30 June Valuation Date	6
7.3	Administrator	8
7.4	Assets	8
7.5	Market value	8
7.6	Schemes affected	8
7.7	Payment	8
7.8	Disposal of assets to pay the levy	8
7.9	Enforcement & Penalties	9
7.10	Levy not allowed as a deduction	9
7.11	Review	9
8.	Section 126AA of the SDCA – Levy on certain financial institutions	9
8.1	Financial Institutions liable to the levy	9
8.2	Assessable Amount	9
8.3	Delivery of Statement	10
8.4	Enforcement & Penalties	10
8.5	Levy not allowed as a deduction	10
9.	Section 126B of the SDCA – Assessment of duty charged on instruments	10

1. Introduction

This part of the SDCA imposes a number of levies. The levies are imposed on cash cards, combined cards, debit cards, credit card accounts and charge cards, life assurance premiums, non-life insurance premiums, pension schemes and a levy on financial institutions (the “bank levy”).

Please also refer to the Guidance Notes for [Financial Institutions](#) - Stamp duty on Financial Cards.

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

Finance Act 2015 amended Section 123B to provide for the following stamp duty charges on cash withdrawals with effect from 01 January 2016.

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

Prior to 2016, a flat rate stamp duty was charged at the 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 of €5.00 applied where both functions were used during the year.

Section 82 of the Finance Act 2013 amended section 123B to provide 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.

3. Section 124 of the SDCA – Credit cards and charge cards

Section 124 provides for the following stamp duty charges on credit cards and charge cards

Type of card	Charge
Credit card	€30
Charge card	€30

4. Section 124B of the SDCA – 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 the Revenue Commissioners a statement showing the assessable amount for the insurer for the quarter. 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.

Finance Act 2010, enacted on 3 April 2010, amended section 124B of the SDCA to exclude pensions and reinsurances businesses from the levy. The section was also amended to bring forward the due date for the payment of the levy by the insurer and also an update of the EEA definition.

5. Section 125 of the SDCA – 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 3% rate of duty applies to premiums received on or after 1 June 2009 in respect of offers of insurance or notices of renewal of insurance issued by an insurer on or after 8 April 2009. In relation to notices of renewal or offers of insurance issued prior to 8 April 2009, stamp duty at a rate of 2 per cent applies.

An insurer must deliver a quarterly statement showing the assessable amount to Revenue. The statement must be accompanied by the amount of stamp duty payable.

6. Section 125A of the SDCA – 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.

Section 8 of the Health Insurance (Amendment) Act 2016 amended section 125A to provide for revised rates in relation to the levy.

The revised rates are set out in the table below.

	New contracts entered into and contracts renewed during the period 28 February 2015 to 29 February 2016	New contracts entered into and contracts renewed during the period 1 March 2016 to 31 March 2017	New contracts entered into and contracts renewed on or after 1 April 2017
Insured person aged less than 18 years with non-advanced cover	€80	€67	€74
Insured person aged less than 18 years with advanced cover	€135	€134	€148
Insured person aged 18 years or over with non-advanced cover	€240	€202	€222
Insured person aged 18 years or over with advanced cover	€399	€403	€444

The accounting periods for such contracts are each period of 3 months commencing on 1 January, 1 April, 1 July and 1 October in any year. The payment date for the levy in respect of these accounting periods is the 21st day of the second month following the end of an accounting period i.e. 21 May, 21 August, 21 November and 21 February respectively.

Revenue has issued guidelines for insurers in relation to particular situations where a person enters into more than one health insurance contract in the same 12-month period. The treatment provided for in these guidelines ensures that a person does not incur more than one levy in the same 12-month period.

7. Section 125B of the SDCA – Levy on pension schemes

Finance (No. 2) Act 2011 inserted Section 125B of the SDCA which provides for a levy on pension schemes in each of the years 2011, 2012, 2013 and 2014. The levy is charged at 0.6% on the value of the assets in a scheme on the 30 June in each year. It is payable on 25 September and must be paid electronically.

Under section 71 of the Finance (No. 2) Act 2013 the rate of the levy was increased by 0.15% to 0.75% for the year 2014 and the levy was extended to the year 2015 at the rate of 0.15%.

7.1 Chargeable person

The chargeable person is the insurer in relation to a contract of assurance and the administrator in relation to any other assets of a scheme.

7.2 Chargeable amount

The chargeable amount on which the levy is calculated is the aggregate market value of the assets of the pension scheme (and in the case of land the market value is calculated net of any outstanding borrowings used to acquire the land) **on a fixed valuation date of 30 June in each of the year.** In the case of defined benefit occupational pension schemes and small self-administered schemes, as respects the assets of such schemes other than contracts of assurance, the administrator may choose to value the assets at 30 June in each year or, where it has been customary to prepare accounts to an appropriate accounting standard to a different date, to use the valuation of the assets on the last day of the most recent scheme accounting period ended in the preceding 12 months.

7.2.1 Limited Exception to 30 June Valuation Date

A limited exception to the 30 June valuation date is provided for in paragraph (b) of the definition of "chargeable amount" in respect of defined benefit occupational pension schemes and one-member small self-administered schemes. The exception relates to all assets that are held for the purposes of such schemes other than contracts of assurance. In this situation, the legislation affords the chargeable person a choice of two possible dates on which the market value of the individual assets may be ascertained and aggregated for the purposes of determining the chargeable amount for levy purposes.

They can be valued at 30 June or they can be valued on the last day of the accounting period of the scheme ended in the period of 12 months immediately preceding 30 June. The purpose of this exception is to avoid placing the administrative costs on certain schemes of having to undertake a separate valuation for assets as at 30 June in circumstances where a valuation for those assets already existed in the most recent scheme accounts.

In seeking to avail of this choice of valuation date, it is important that trustees of defined benefit and one-member schemes be aware of the final provision of the definition of "chargeable amount" which states;
"...and in respect of which the chargeable person is the administrator or insurer on the date concerned".

In other words, in order for a date to be valid as a valuation date, the chargeable person must have held the assets concerned as administrator or insurer on that date. The primary purpose of this wording was to counter any attempt at switching assets between asset classes by using the choice of valuation date in a way that

artificially reduced the “chargeable amount” while leaving the overall amount of assets held by the scheme largely unchanged.

This possibility could have arisen where the composition of the assets held for the purposes of a scheme (as between assets held in the form of contracts of assurance and non-contract of assurance assets) altered between the end of the scheme accounting period and 30 June. The following example illustrates the point.

Example

The trustees of a defined benefit scheme hold the scheme’s assets partly as contracts of assurance and partly as non-insured assets. Audited accounts for the scheme year ended on 31 December 2010 show an asset composition as per **column A** of the Table following.

	(A) 31 Dec. 2010	(B) 30 June 2011
Contracts of assurance	€80m	€10m
Non-insured assets	€20m	€90m
Total	€100m	€100m

Prior to 30 June 2011, the trustees revised their investment strategy and decided to reduce considerably the portion of insured assets held by the scheme such that the asset composition at 30 June was as per **column B** of the Table.

The levy in respect of the €10m held in insured assets at 30 June 2011 will be deducted and paid by the insurer, as the chargeable person in respect of those assets.

As regards the non-insured assets, the trustees (as administrators of those assets) **cannot** decide to choose 31 December 2010 (i.e. the last day of the accounting period of the scheme ended in the period of 12 months immediately preceding 30 June 2011) as the valuation date for the non-insured assets and base the levy on the €20m in non-insured assets held by them at that date, while leaving the remaining €70m in non-insured assets outside of the levy charge.

Clearly €70m in non-insured scheme assets were held by the trustees on 30 June 2011 as administrator **that were not held by them as administrator on the last day of the accounting period ended on 31 December 2010**. The only available date for the trustees to value those assets is, therefore, 30 June 2011 when they held them as administrator.

The trustees may, of course, be in a position to exercise the choice provided for in the legislation in respect of the €20m of non-insured assets actually held by them as administrator on 31 December 2010.

7.3 Administrator

The administrator means the trustees or other persons having the management of the assets of a scheme and specifically includes an administrator of a retirement benefits scheme, an insurer carrying on a business of granting retirement annuity contracts and annuity contracts providing death in service benefits, and an administrator of a personal retirement savings account.

7.4 Assets

The assets include all property, including investments, deposits, debts and contracts of assurance, held for the purposes of a scheme, other than assets that represent the liabilities of an occupational pension scheme in respect of benefits to members whose employment is and always was exercised wholly outside the State. It should be noted that the assets of pension funds that are referable to individuals who are, or were, temporarily assigned to work abroad are not exempt from the levy.

7.5 Market value

The market value is the same as in Section 548 of the Taxes Consolidation Act 1997, which generally provides that market value is the price that an asset might reasonably be expected to fetch on an arm's length sale in the open market.

7.6 Schemes affected

A scheme to which the levy applies includes a retirement benefits scheme, an annuity contract or a trust scheme and a personal retirement savings account, but does not include a retirement benefit scheme in respect of which the trustees have passed, prior to the due date, a resolution to wind-up the scheme and the employer is insolvent.

7.7 Payment

The levy is to be paid using ROS. By entering the correct stamp duty payable into ROS, chargeable persons will be regarded as satisfying the requirement to include the chargeable amount in a statement to be delivered to Revenue. A separate note on the payment of the levy has been published on the Revenue [website](#).

7.8 Disposal of assets to pay the levy

A chargeable person who is liable to pay the levy is entitled to dispose of or appropriate scheme assets for the purposes of meeting the amount of the levy payable and where a chargeable person who is not a trustee, for example a Life Office in respect of insurance contracts held as assets of a scheme, pays the levy through the disposal or appropriation of scheme assets, the trustees must allow that course of action. There is an explicit protection for a chargeable person from any court action by reason of having paid the levy by way of disposal or appropriation of scheme assets.

7.9 Enforcement & Penalties

There are standard provisions that (a) provide for enforcement and penalties in relation to non-compliance and (b) deal with situations where a business is taken over by a successor.

7.10 Levy not allowed as a deduction

Stamp duty charged by the section cannot be claimed as a deduction or a credit in computing any other tax or duty.

7.11 Review

Finally, Revenue has authority to review any case to ensure that disposals are in keeping with or needed in order to pay the levy. Large Cases Division will carry out any such reviews. Any adjustments must ensure that any diminution in value of the benefits does not exceed the amount of the levy on the assets attributable to the schemes liabilities in respect of any member and it also allows Revenue to consult with appropriate experts, where necessary.

8. Section 126AA of the SDCA – Levy on certain financial institutions

Section 126AA of the SDCA provides for a levy on certain financial institutions (known as the bank levy). Section 50 Finance Act 2016 extended the levy for a further five years to the end of 2021 and introduced a rolling base year to replace the previous fixed base year of 2011. The table below shows the various base years.

8.1 Financial Institutions liable to the levy

The levy is payable by a financial institution that:

- was the holder of a banking licence or was a building society in the base year,
- was obliged to pay DIRT in the base year, and
- is carrying on a trade or business in the State, whether a business of taking and holding deposits or not on the date the statement and payment is due for the year.

The levy is not payable where the amount of DIRT paid by a financial institution in the base year does not exceed €100,000.

8.2 Assessable Amount

The assessable amount is the amount of DIRT that should have been paid by the financial institution during the base year. The amount of the levy payable is a percentage of the assessable amount depending on the year. The table below shows the levy due as a percentage of the DIRT payable for each year.

8.3 Delivery of Statement

A financial institution liable to the levy is obliged to deliver a statement to Revenue on 20 October in each of the years 2014 to 2021 showing the assessable amount for that financial institution. The levy is payable on delivery of the return.

8.4 Enforcement & Penalties

There are standard provisions that (a) provide for enforcement and penalties in relation to non-compliance and (b) deal with situations where a business is taken over by a successor.

8.5 Levy not allowed as a deduction

The levy cannot be claimed as a deduction or a credit in computing any other tax or duty.

Rate of charge by year

Year payable	Base Year (Year DIRT paid)	Rate of charge, as a % of DIRT paid	Payment of levy and statement due date
2014	2011	35%	20 October 2014
2015	2011	35%	20 October 2015
2016	2011	35%	20 October 2016
2017	2015	59%	20 October 2017
2018	2015	59%	20 October 2018
2019	2017	59%	20 October 2019
2020	2017	59%	20 October 2020
2021	2019	59%	20 October 2021

9. Section 126B of the SDCA – Assessment of duty charged on instruments

Section 126B gives the Revenue Commissioners power to make any necessary assessments in respect of the various stamp duty levies contained in Part 9 of the Stamp Duties Consolidation Act 1999, where it appears to the Commissioners that a person required to deliver a statement has failed to do so or has failed to deliver a correct statement in respect of any of the levies.

The section also provides, where relevant, for interest and penalties to be included with any such assessment.

A taxpayer can, on payment of the stamp duty in accordance with an assessment, appeal the assessment to the Appeal Commissioners.

Section 76 Finance Act 2014 amended Section 126B by adding financial institutions liable for the “bank levy” to the list of relevant persons to whom the assessment provisions apply, should it prove necessary.