

# Corporation Tax – 2021 Payments and 2020 Returns

This report is the latest in a series of annual papers by Revenue on Corporation Tax (“CT”). The report presents a statistical profile of receipts in 2021 and returns for 2020.

## 2021 Payments



**CT is the third largest tax-head, representing 22.6% of net tax receipts in 2021**



### Net CT Receipts

2021	€15,323m
2020	€11,833m
2019	€10,887m

## Impact of COVID-19



Post COVID recovery is strongest among small businesses, receipts from SMEs increased by 80% compared to 2020



The level of concentration in the top 10 companies slightly increased to 53% in 2021

## 2020 Returns



### 183,900 CT Returns

105,200 Positive Profits  
80,000 Profits Liable to CT



### Trading Income

€193.2bn taxable profits reported in 2020



**Largest Sectors:** Manufacturing, Admin & Support Services, ICT, Finance & Insurance and Wholesale & Retail



Non-Trading Income €7.1bn  
Net Dividend Income €5.3bn  
Capital Gains €1.2bn



### Losses Forward €211.9bn

Up 1% on 2019, 91% of losses over 5 years old



### Intangible Assets Claimed on 2020 returns €94.2bn

Foreign multinationals account for 89%



### Research & Development Credit

2020 €658m  
2019 €626m



### Knowledge Development Box

17 claimants in 2020  
2020 €16.3m  
2019 €13.7m

## Employment



Over 2.4m employments in companies, with combined Income Tax, USC and PRSI payments for these employees of €21.4bn. Foreign multinationals account for 32% of employment and 53% of employment taxes of corporate employers.



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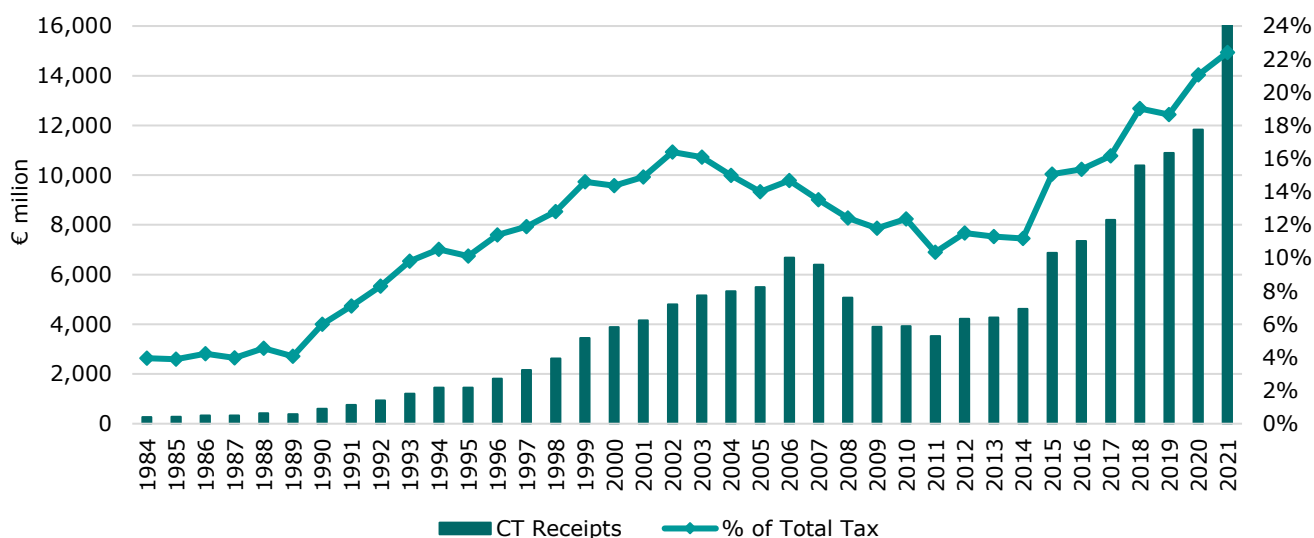
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## 1 Introduction

This report is the latest in a series of annual papers by Revenue on Corporation Tax (“CT”).<sup>1</sup> CT is the third largest taxhead, with €15.3 billion in net receipts transferred to the Exchequer in 2021, 22.6 per cent of total tax receipts in that year.

**Figure 1: Corporation Tax Receipts**



Source: Revenue analysis. Note: Based on Exchequer receipts of CT.

CT payments received in 2021 are mainly in respect of accounting periods ended in 2021. The associated CT returns for 2021 (the “CT1” return) are not due until nine months after the end of the accounting period, which is in the latter half of 2022 in most cases. However, analysis of returns for 2020 (the most recent year for which returns have been filed at present) provides context for the payments.

Section 2 profiles CT payments in 2021 and changes compared to 2020. In Section 3, returns for 2020 are reviewed to understand the activities of companies and the factors underpinning CT payments. Section 4 presents data on different types of company structures. Section 5 reviews employment and payroll data related to companies. Section 6 concludes and summarises some key points from this report.

<sup>1</sup> Reports from previous years are published at: <https://www.revenue.ie/en/corporate/information-about-revenue/research/research-reports/corporation-tax-and-international.aspx>.

## 2 Corporation Tax Payments in 2021

### 2.1 Overview

Table 1 shows net and gross CT receipts by the calendar year in which the payments are received. For example, the row “2021” reflects CT paid in 2021 regardless of the liability years to which these payments related.<sup>2</sup> The final column shows CT paid arising from Revenue compliance interventions (such as audit settlements).

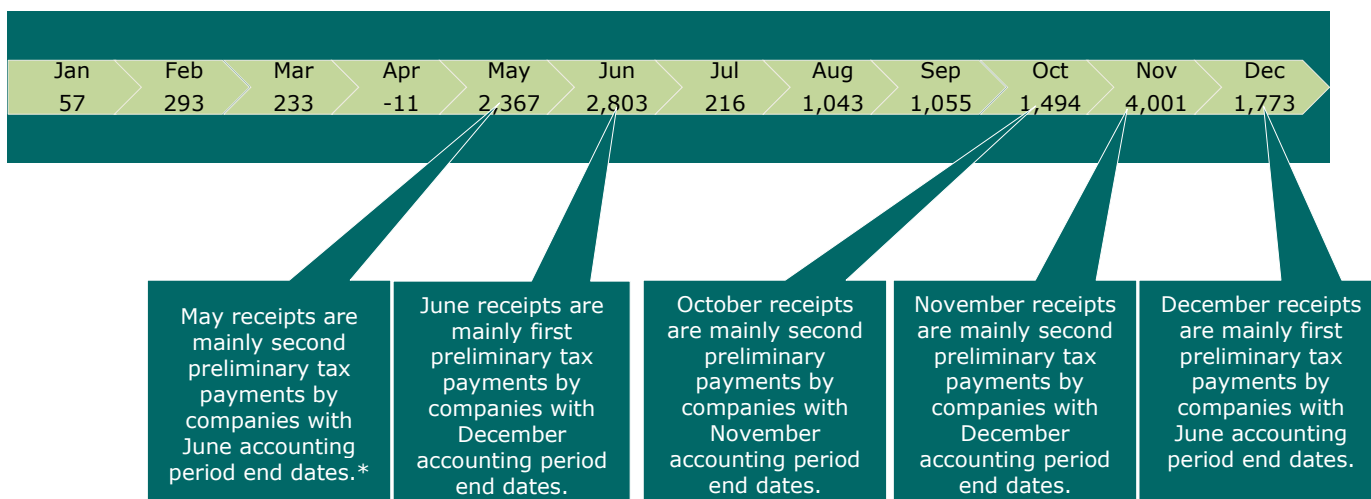
**Table 1: Receipts and Liabilities**

Year	Gross Receipts €m	Net Receipts €m	Corporation Tax Liability for Tax year €m	Corporation Tax Compliance Figures €m
2019	12,337	10,887	10,939	80
2020	13,896	11,833	11,754	158
2021	17,517	15,323	*	784

Source: Revenue analysis \*Not available until returns have been filed during 2022.

Figure 2 shows the €15.3 billion collected in 2021 by month and explains the factors behind the larger payment months. Dates for preliminary tax (due in the sixth and eleventh months of the accounting year for some large payers) and accounting period end dates are key drivers of the main payment months. Around 55 per cent of companies have January to December accounting periods, followed by 13 per cent with July to June and 11 per cent April to March.

**Figure 2: Net Exchequer Receipts by Month in 2021 (€ million)**



Source: Revenue analysis. \*Also includes some first preliminary payments for November end companies.

### 2.2 Impact of COVID-19 on Tax Payments

CT payments in 2021 (€15.3 billion) are made up of preliminary tax (“PT”) payments for 2021 (€13.6 billion) and balances due for earlier years (€1.7 billion). PT payments in 2021 are 32 per cent higher than in 2020 (and 49 per cent higher than 2019). This indicates that for many

<sup>2</sup> Exchequer CT receipts in 2021 were reduced by approximately €406 million to fund payments for the COVID Restrictions Support Scheme (“CRSS”).

companies, profitability increased significantly in 2021. Table 2 shows the change in CT varied between companies in Revenue’s Large Corporates, Medium Enterprises and Business divisions.

**Table 2: Payments in 2021 by Revenue Division**

Revenue Division	CT Payments in 2021	+/- 2020
	€m	%
Large Corporates	12,927	+25.2%
Medium Enterprises	1,329	+44.9%
Business*	1,067	+79.6%

Source: Revenue analysis. \*Most taxpayers in the Business Division are small to medium sized enterprises (“SMEs”).

Most companies were affected by the pandemic and the associated health restrictions in 2020. While restrictions continued in 2021, the profitability of companies began to improve and, as the growth rates in Table 2 show, this recovery was strongest in 2021 among the smaller companies, which were often the worst impacted by COVID-19 in 2020.

### 2.3 Sectors

Figure 3 shows 2021 receipts by sector. All sectors showed growth in 2021 over 2020 tax receipts. Some sectors showed significant increases, with the *Manufacturing* sector in particular showing an increase of just over 50 per cent.

### 2.4 Ownership

As also shown in Figure 3, foreign-owned multinationals paid €12.3 billion (80 per cent of net CT receipts), Irish-owned multinationals €1.3 billion (9 per cent) and non-multinationals €1.6 billion (11 per cent).<sup>3</sup>

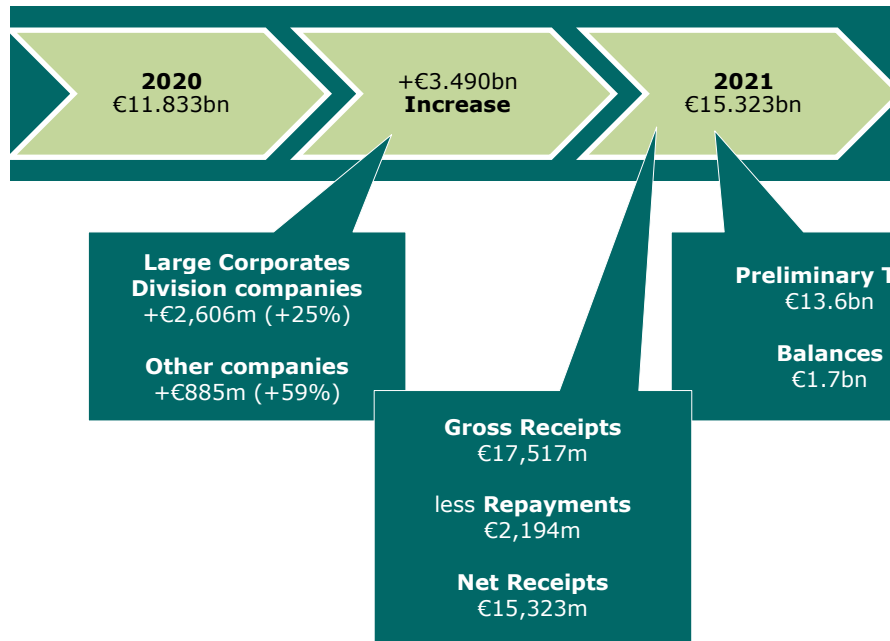
### 2.5 Concentration

Figure 3 shows indicators of the degree of concentration of payments. Revenue’s Large Corporates Division (“LCD”) has responsibility for managing the tax affairs of the largest taxpayers. Net CT receipts from LCD companies in 2021 increased by €2.6 billion (25 per cent) to €12.9 billion. These accounted for 84 per cent of net receipts. Net receipts from non-LCD companies increased by €885 million compared with 2020, a faster growth of 59 per cent.

The net receipts from the 10 largest payers in 2021 totalled €8,176 million, with their share of CT receipts increasing marginally to 53 per cent. Tables 3 and 4 present alternative views of the top 10 over time.

<sup>3</sup> A foreign-owned multinational is defined here as a company that is ultimately owned abroad and operates in more than one country. An Irish-owned multinational is a company that is ultimately owned in the Republic of Ireland and operates in more than one country.

**Figure 3: Net Receipts in 2021**



Sector	2021 €m	+/- 2020 €m
Manufacturing	4,418*	1,527
Information & Communication	3,262	380
Financial & Insurance Activities	2,364	209
Wholesale & Retail Trade	2,341	552
Administrative & Support Services	1,285	133
Professional, Scientific & Technical Activities	656	369
Construction	365	68
Mining & Quarrying + Utilities	177	98
Real Estate Activities	118	6
Other Sectors	101	10
Transportation & Storage	90	100
Agriculture, Forestry & Fishing	77	15
Accommodation & Food Services	70	26

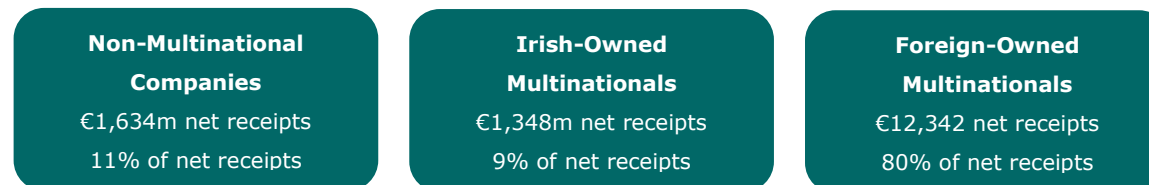
\*€2,891m chemical and pharma manufacture, €933m ICT manufacture, €594m other.

**Concentration of Payments**



\*Individual companies or affiliates that are members of the same corporate entity grouped together.

**Ownership**



Source: Revenue analysis.

**Table 3: Receipts from Top 10 Companies**

Year	Gross Receipts		Net Receipts	
	Amount €m	% of Gross Receipts	Amount €m	% of Net Receipts
2010	1,281	26	1,268	32
2011	1,379	30	1,378	39
2012	1,416	30	1,414	34
2013	1,553	31	1,551	36
2014	1,729	33	1,728	37
2015	2,801	37	2,798	41
2016	2,762	33	2,755	37
2017	3,268	35	3,230	39
2018	4,675	41	4,671	45
2019	4,564	40	4,390	40
2020	6,072	44	5,983	51
2021	8,191	47	8,176	53

Source: Revenue analysis.

**Table 4: Receipts from Each Year's Top 10 Payers**

€m Net Receipts Top Ten in Year	Net CT Paid In Year				
	2017	2018	2019	2020	2021
2017	3,230	4,258	3,948	3,242	6,382
2018	2,995	4,671	4,047	3,229	6,298
2019	3,037	4,364	4,390	3,786	7,009
2020	2,726	4,202	4,107	5,983	7,292
2021	2,590	3,959	3,834	3,904	8,176

% Net Receipts Top Ten in Year	Net CT Paid In Year				
	2017	2018	2019	2020	2021
2017	39	41	39	28	41
2018	36	45	37	28	41
2019	37	42	40	32	45
2020	33	40	37	51	47
2021	31	38	35	33	53

Source: Revenue analysis. Note: Central axis (shaded) matches the % for net receipts in Table 3.

## 2.6 Number of Companies Paying Tax and Ranges of Payments

Almost 66,400 companies paid net CT in 2021, 18.4 per cent up on the previous year. The number of gross payers was 69,600, up 16.9 per cent on 2020. Table 6 shows the number of companies by range of payment amount.

**Table 5: Number of Gross and Net Corporation Tax Payers**

Year	Number of Gross Payers	Number of Net Payers*
2019	63,365	59,970
2020	59,603	56,067
2021	69,651	66,400
<b>2021 Change</b>	<b>16.9%</b>	<b>18.4%</b>

Source: Revenue analysis. \*Does not include "refund only" cases.



**Table 6: Ranges of Net Payment Amounts**

Payment Amount €	Number of Companies	Total CT Paid €m
1 - 40,000	55,267	414
40,001 - 60,000	2,968	132
60,001 - 80,000	1,641	103
80,001 - 100,000	1,080	88
100,001 - 200,000	2,397	306
200,001 - 500,000	1,588	450
500,001 - 1,000,000	593	374
1,000,001 - 5,000,000	612	1,179
5,000,001 - 10,000,000	99	660
Over 10,000,000	155	11,620
<b>Total</b>	<b>66,400</b>	<b>15,323</b>

Source: Revenue analysis.

CT of €601 million was paid in 2021 by 24,300 companies that did not pay CT in 2020. This was partly counterbalanced by €287 million paid by 15,500 companies with positive tax payments in 2020 that did not pay CT in 2021.

### Box 1: Country by Country Reporting

Country by Country (“CbC”) reporting was developed as part of Action 13 of the OECD/G20 Base Erosion and Profit Shifting (“BEPS”) Action Plan. CbC reporting requires certain multinational enterprises (“MNEs”) to file a CbC report that provides a breakdown of the amount of revenue, profits, taxes and other indicators of economic activities for each tax jurisdiction in which the MNE group does business.

This box presents data on CbC reports filed in Ireland for 2016, 2017 and 2018, aligned to statistics submitted through a harmonised, aggregated process to the [OECD for publication](#). Information for later years is not yet available.

Year	Number of CbC reports*	Number of CbC Sub-groups**	Number of CbC entities***
2016	45	1,068	1,702
2017	56	1,426	1,850
2018	61	1,505	1,749

\*The number of reports filed in Ireland (i.e., each one represents the top level of a group) but excluding those of surrogate parents; \*\*The number of subgroups associated with the reports filed in Ireland (these can be located in any country); \*\*\*The number of companies associated with the groups and sub-groups for the reports filed in Ireland (these can be located in any country).

#### Who Needs To File CbC Reports with Revenue

An Irish resident ultimate parent entity of a multinational group with worldwide revenue greater than €750 million in the previous accounting period has to file CbC reports from 1 January 2016. This information is exchanged with other tax authorities through specific automatic tax exchange agreements. Companies are required to make a notification of their obligation to file a report on or before the end of their accounting period. The actual report needs to be filed within 12 months of the end of their accounting period.

#### Use of CbC reporting data

CbC reports can be used for high level transfer pricing risk assessment, assessing other BEPS-related risks and economic or statistical analysis. The data can be used to identify taxpayers and arrangements that pose a potential tax risk (in the areas noted) but cannot generally be used for other purposes. The use of the reports for economic or statistical purposes relates to reports filed in Ireland.

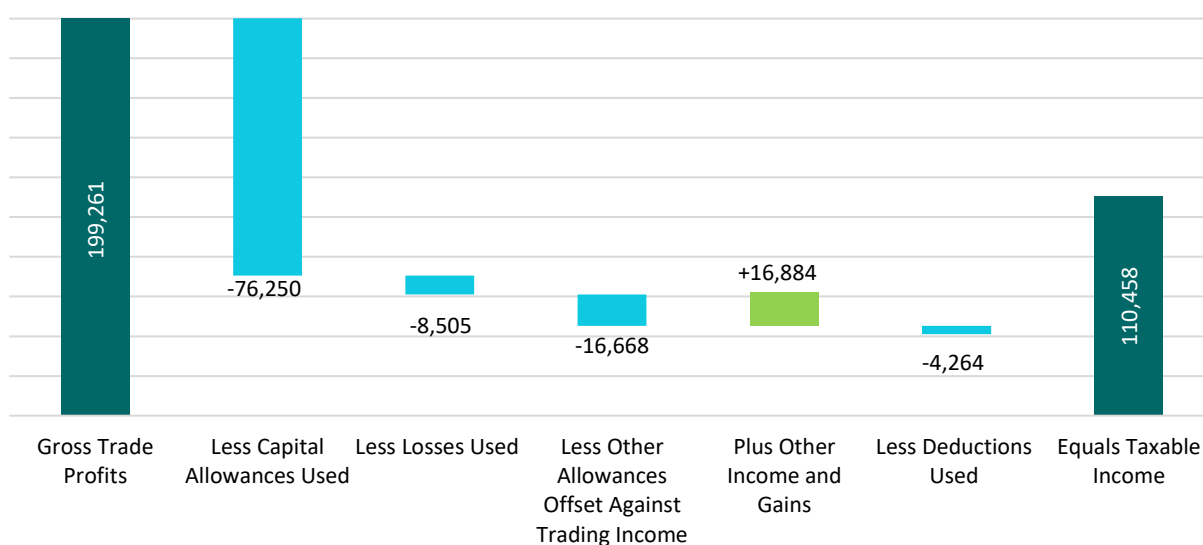
### 3 Corporation Tax Returns for 2020

As noted in the Introduction, CT1 returns in respect of accounting periods ended in 2020 (i.e., returns for the liability year 2020) were mainly due in late 2021. Analysis of these returns provides context for the payments in 2021 as the returns for 2021, which underpin 2021 receipts (outlined in Section 2), have not yet been filed in most cases.

#### 3.1 Profits

Figure 4 shows the summary, in aggregate for all companies, from gross profits of €200 billion declared to taxable income of €110.5 billion in 2020.

**Figure 4: Gross Profits to Taxable Income 2020 (€ million)**



Source: Revenue analysis. Note: Gross Trade Profits here includes balancing charges and excepted trade profit.

Over €200 billion of trading profits taxable at 12.5% was reported by companies in 2020 returns.<sup>4</sup> This is a slight decrease of €3.7 billion on 2019 returns, due to a combination of lower profits due to the pandemic and lower balancing charges than previous years.

As Table 7 shows, 90 per cent (€174.7 billion) of trading profits were attributed to five sectors: *Manufacturing, Financial & Insurance, Information & Communication, Wholesale & Retail Trade* and *Administrative & Support*.<sup>5</sup> The remaining 9 sectors accounted for the other 10 per cent. The sector with the largest trading profits, *Manufacturing* (€74.4 billion), recorded a 6 per cent decrease on 2019.

<sup>4</sup> Also included in the €200 bn noted in Figure 4 are trading profits taxed at 25% (known as excepted trade profits) and balancing charges.

<sup>5</sup> The administrative & support services sector includes aircraft leasing.

**Table 7: Trading Profits by Sector**

Sector	Adjusted Profits €m *		Growth	
	2019	2020	€m	%
Manufacturing	79,397.53	74,414.26	-4,983.27	-6.28%
Financial & Insurance Activities	25,808.85	20,827.47	-4,981.38	-19.30%
Administrative & Support Services	24,518.35	24,234.55	-283.80	-1.16%
Information & Communication	26,771.13	33,038.10	6,266.98	23.41%
Wholesale & Retail Trade	20,146.64	22,173.99	2,027.35	10.06%
Professional, Scientific & Technical Activities	5,917.17	7,221.65	1,304.48	22.05%
Transportation & Storage	2,985.59	2,159.27	-826.32	-27.68%
Construction	2,645.59	2,919.18	273.58	10.34%
Mining & Quarrying + Utilities	1,870.52	2,157.57	287.05	15.35%
Accommodation & Food Services	1,084.50	604.13	-480.37	-44.29%
Agriculture, Forestry & Fishing	679.17	813.32	134.14	19.75%
Human Health & Social Work Activities	1,896.05	1,405.59	-490.46	-25.87%
Real Estate Activities	505.82	327.78	-178.03	-35.20%
Other Sectors	1,055.32	915.34	-139.98	-13.26%
<b>Total</b>	<b>195,282</b>	<b>193,212</b>	<b>-2,070</b>	<b>-1.06%</b>

Source: Revenue analysis. \*Adjusted profits are the trading profits of a company after being adjusted to reflect any differing treatment of certain items for accounting purposes compared to tax purposes. This does not include balancing charges or excepted trade profits.

Table 7 analyses trading profits taxed at the standard rate of CT (12.5%). There are a number of other income and profit streams taxed in different ways, some of which are shown in Table 8.

**Table 8: Non-Trading Profits and Other Incomes**

Year	Net Dividend Income		Non-Trading Income		Capital Gains	
	Number of Companies	Amount of Income €m	Number of Companies	Amount of Income €m	Number of Companies	Amount of Capital Gains €m
2018	522	4,451	20,621	9,151	1,208	696
2019	524	6,742	20,087	10,155	1,288	812
2020	564	5,259	20,421	7,123	1,228	1,243
<b>Growth</b>	<b>7.6%</b>	<b>-22.0%</b>	<b>1.7%</b>	<b>-29.8%</b>	<b>-4.7%</b>	<b>53.0%</b>

Source: Revenue analysis.

Net foreign dividend income decreased by €1.5 billion in 2020. This was not significant from a tax point of view as these dividends often do not give rise to tax in Ireland, due to offsets of double taxation relief and additional foreign tax credit.

Non-trading taxable income of companies is taxed at the higher rate of 25%. Non-trading taxable income decreased by €3 billion between 2019 and 2020. The main reason for this was a decrease in non-trading foreign income from a small number of large companies.

Companies are required to pay tax in respect of gains made on the disposal of assets. The tax charged on companies' capital gains is equivalent to 33% of the value of the gain.<sup>6</sup> There was a small decrease in the number of companies that reported capital gains on their CT1 return for 2020 and a large increase in the amount of taxable gains.

<sup>6</sup> It should be noted capital gains are taxed at 33% but for technical reasons the gains are re-grossed and taxed at 12.5% on the underlying system. This has no impact on the tax calculation. The amount shown in Table 8 is the amount actually taxed at 33%.

Companies can use net credits, deductions and reliefs against their profits to reduce taxable income or CT payable. The full detail of this calculation is published on Revenue’s website.<sup>7</sup> The following Sections set out a view of the most significant and high profile of these: Losses, Capital Allowances, Research & Development credit and the Knowledge Development Box.

### 3.2 Trading Losses

Where a company has losses or, subject to certain rules, carries forward losses from a previous accounting period, these can be used to offset against its CT liability in a variety of ways. These include being set against current year profits, surrendered to group companies, offset against a prior year’s profits or carried forward. While a company must record losses *claimed* on their CT1 returns, trading losses can only be *used* if there is an appropriate CT liability to offset.

Figure 5 shows the claimed and used amounts for losses carried forward and current year losses. The amount of losses carried forward from earlier accounting periods into 2020 accounting periods increased by €2.7 billion (from €209.2 billion in 2019 to €211.9 billion). Over 58,300 companies claimed losses on their 2020 tax returns. Of these, 41,000 also claimed losses forward in 2019 (i.e., carrying losses for multiple years). Around 26,000 companies used losses in 2020 totalling €9.1 billion, at a cost to the Exchequer of €1.1 billion.

Of companies with losses in 2019, over 13,700 did not carry losses into their 2020 returns, likely indicating in many cases that earlier losses had been fully utilised as a result of trading profits for these companies. The CT liability of these companies was €274 million for 2020.

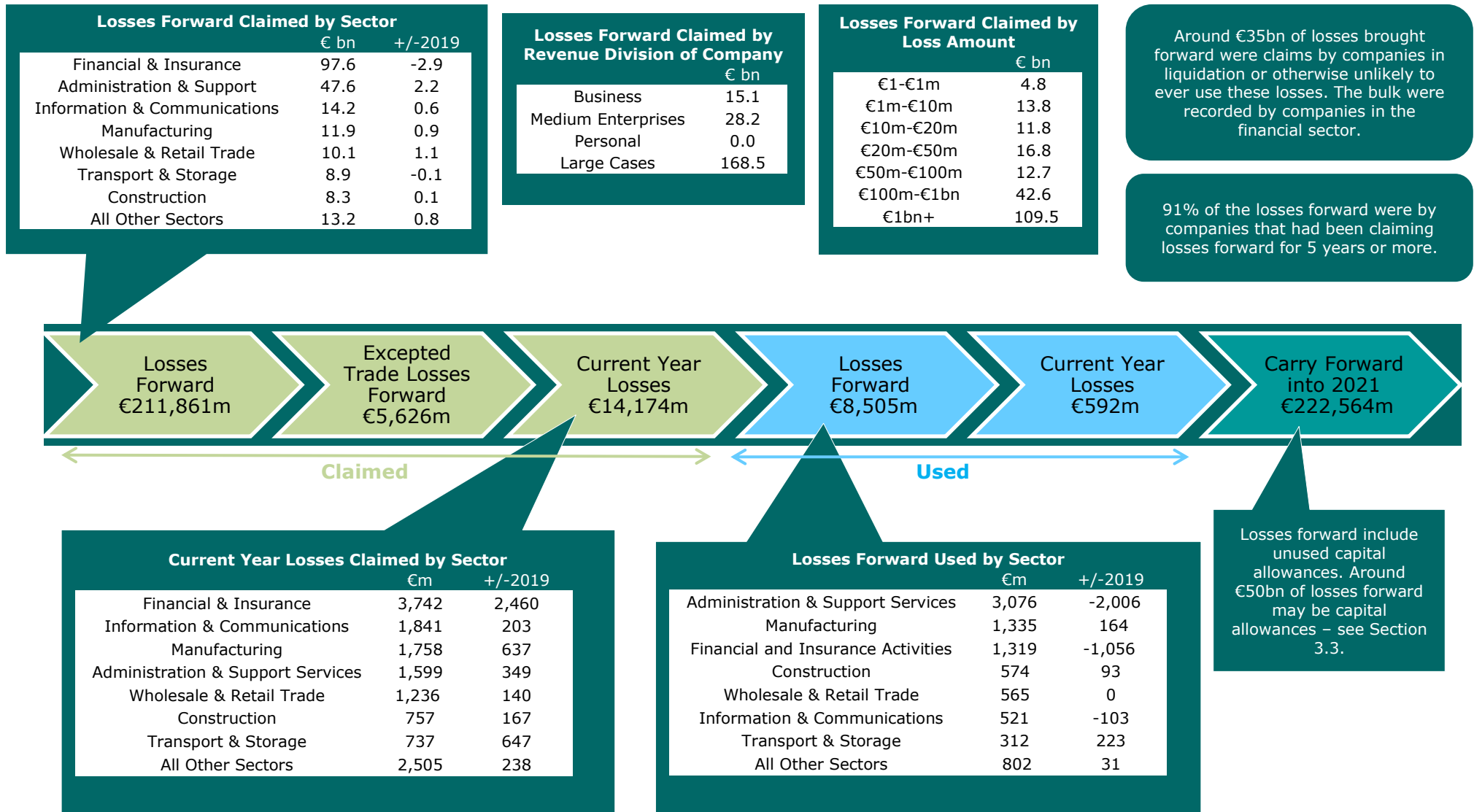
It is important to note that losses forward include claims for unused capital allowances. This is discussed further in Section 3.3.

It is expected that usage of losses in the coming years will be affected by the COVID-19 crisis. Enhanced support for businesses affected by COVID includes a measure to allow companies an early claim of up to 50 per cent of their 2020 losses against their 2019 tax returns and similar for 2021 losses on 2020 returns. These accelerated loss relief claims relate to the carry back of trading losses incurred in ‘specified accounting periods’ against profits of an immediately preceding accounting period on an accelerated basis by allowing companies to make interim claims. A ‘specified accounting period’ is defined in section 396D(1) TCA 1997 as any accounting period of a company carrying on a trade which includes some or all of the period commencing on 1 March 2020 and ending on 31 December 2020. This means that accounting periods ending in 2020 and 2021 could be eligible for accelerated loss relief.

<sup>7</sup> Available at: <https://www.revenue.ie/en/corporate/information-about-revenue/statistics/income-distributions/ct-calculation.aspx>. Figures for 2020 will be published at this link once data are finalised.

As at end March 2022, 4,490 claims were filed amounting to €1,321 million in respect of losses carried back – including 381 accelerated losses claims for 2019 and 2020 accounting periods for €572 million.

Figure 5: Losses on 2020 Tax Returns



Source: Revenue analysis.

### 3.3 Capital Allowances

Companies are entitled to capital allowances in respect of certain expenditure and these can be set against profits. Figure 6 summarises the available data on capital allowances.<sup>8</sup>

The tangible component of capital allowances (plant & machinery) increased by €11.3 billion. The value of claims in respect of intangible assets increased by €48 billion in 2020.<sup>9</sup> Most of this increase in intangible claims is attributable to a small number of large companies.

It is important to note that the €211 billion total losses forward (Section 3.2) includes claims for unused capital allowances from earlier years. After the first year of claim, any losses and capital allowances carried forward are combined in tax returns data. Therefore, it is not possible to separately identify capital allowances and losses in the carry forward at aggregate level.

As Table 9 shows, companies claiming intangible asset capital allowances are important CT payers, these companies account for around 47 per cent of total payments in 2020 and 56 per cent in 2021. The growth of CT payments for this group of companies is higher than the overall growth rate or that for multinational companies alone. It should be noted that not all CT paid by companies with intangible capital allowances is arising from profit generated through intangible assets. One factor in this increase is that several large companies with no intangible asset claims previously have restructured and now have such claims for 2020 (but they still have non-intangible related incomes as well).

**Table 9: Tax Payments of Companies Claiming Intangible Asset Capital Allowances**

Corporation Tax Payments	2020 €m	2021 €m	% Growth
Claimants of Intangible Capital Allowances	5,641	8,606	52.6%
All Companies	11,833	15,324	29.5%
Multinationals Only	10,498	13,690	30.4%

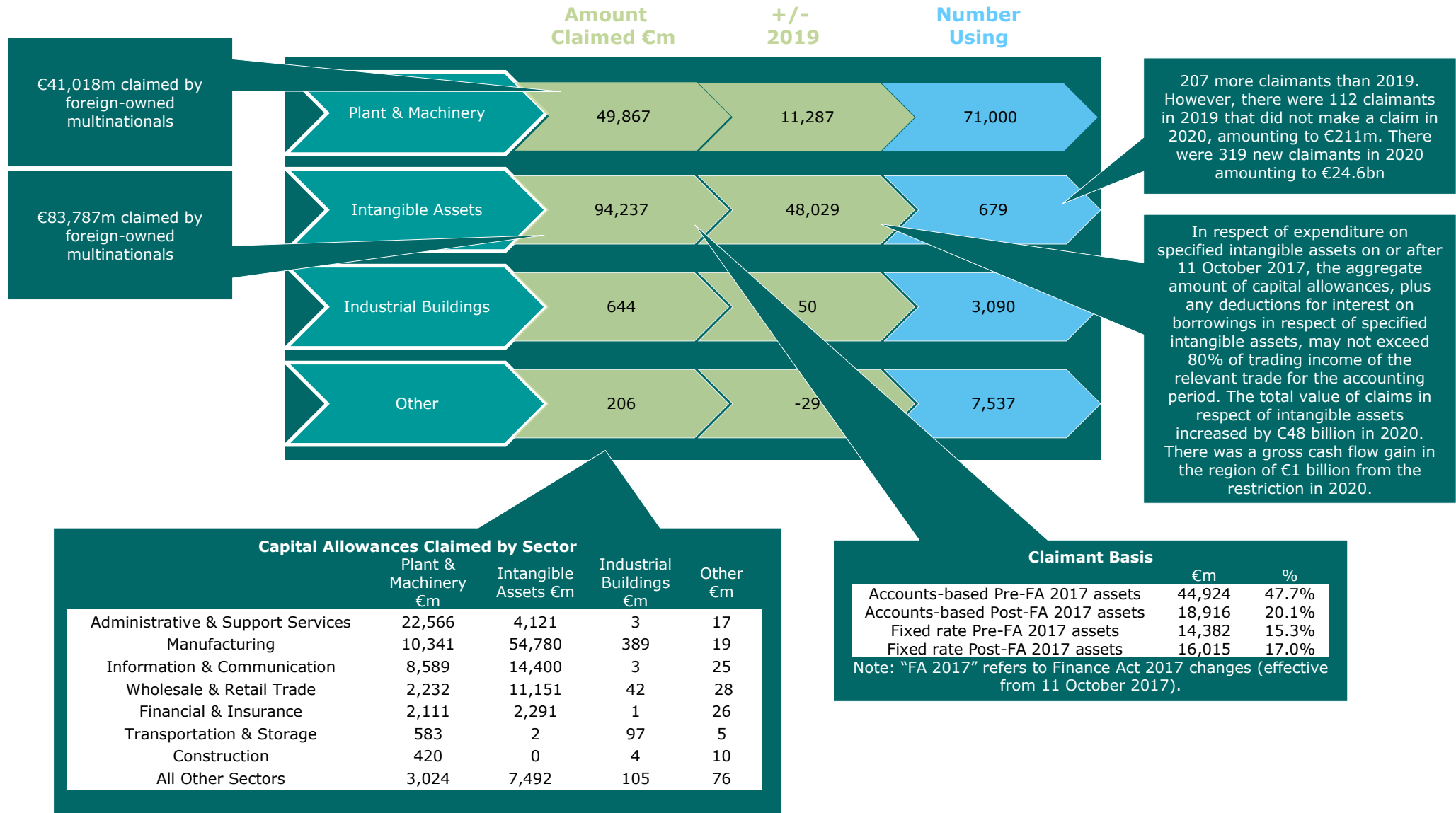
Source: Revenue analysis.

As the changes introduced to the regime from 11 October 2017 take further effect, it is expected that CT payments arising from companies with intangibles will grow somewhat over the coming years. From information on the 2020 CT1s, the additional gross CT receipts associated with the restrictions introduced amount to approximately €1 billion.

<sup>8</sup> It should be noted that these figures represent the aggregate of claims on the return, as distinct from the amount utilised to reduce tax due.

<sup>9</sup> In the case of intangible assets, the allowance is restricted such that it can only reduce trading income generated from the use of intangible assets, with any excess carried forward. Income not related to the use of the intangible assets is still taxable.

**Figure 6: Capital Allowances Claimed on 2020 Tax Returns**



Source: Revenue analysis.



### 3.4 Research & Development

The Research & Development (“R&D”) tax credit provides relief for qualifying expenditure on certain research activities. Table 10 shows a €32 million increase (5 per cent) in the cost to the Exchequer of the R&D credit in 2020 returns. The number of companies slightly increased from 1,601 to 1,616. The repayable element of the credit accounted for more than a third of the cost, although this varies year to year.<sup>10</sup>

**Table 10: Research & Development Tax Credit**

Year	Number of Companies	Cost €m	Of which, Repayable Credit Cost €m
2018	1,303	355	109
2019	1,601	626	200
2020	1,616	658	256

Source: Revenue analysis.

The value of R&D expenditure for 2020, against which tax relief is claimed, was €3.1 billion in the year. This only includes R&D where the expenditure is eligible for the tax credit. Other forms of R&D may be undertaken that are not eligible for the tax credit. The companies using R&D relief paid €5.6 billion of net CT receipts (an amount that would be higher were the credit not used to reduce liabilities). Most of this expenditure occurred in a relatively small number of sectors. Of the €3.1 billion expenditure, €2.6 billion was by foreign-owned multinational companies. R&D credit expenditure by Irish-owned multinationals was €215 million, non-multinationals accounting for the remaining €293 million.

### 3.5 Knowledge Development Box

The Knowledge Development Box (“KDB”) was introduced in the Finance Act 2015 for accounting periods commencing on or after 1 January 2016. While the R&D credit is a support for creation of new intellectual property (“IP”) or other research, the KDB provides for a reduced rate of CT (6.25%) payable on profits arising from qualifying IP assets.<sup>11</sup>

**Table 11: Knowledge Development Box**

Year	Number of Claimants	Cost €m
2016	10	6.1
2017	16	12.2
2018	15	10.3
2019	20	13.7
2020	17	16.3

Source: Revenue analysis.

<sup>10</sup> Sections 766 and 766A of the Taxes Consolidation Act (“TCA”) 1997 provide that the tax credit in respect of qualifying expenditure on R&D must be used initially to reduce the CT liability of the company for the accounting period in which the relevant expenditure is incurred. Any unused amount may be carried forward and used to reduce the CT of following accounting periods. Where an excess remains, instead of carrying forward that excess, a company may claim to use it to reduce the CT of the preceding accounting period. If any excess still remains it may still be carried forward and used to reduce the CT of succeeding accounting periods. In the event that there is insufficient CT liability in the current year, the company may claim to have the amount of the excess paid to them by Revenue in 3 instalments over 33 months from the end of the accounting period in which the expenditure was incurred.

<sup>11</sup> The KDB is available only to companies that carry out R&D within the meaning of Section 766 TCA.

A claimant company has up to 24 months to make a claim for KDB relief. As such, more claims in respect of the year ended 31 December 2020 are likely to be made by September 2022.

### 3.6 Taxable Income, Paying Tax and the Effective Rate

For 183,900 2020 CT1 returns filed, 78,700 reported no trading or non-trading profits. Of the 105,200 with positive profits, a further 25,200 were not liable to CT due to the various reliefs and allowances available to companies, leaving 80,000 liable to the tax.

**Figure 7: Number of Companies Liable to Tax 2020**



Source: Revenue analysis. Note: Profits here includes either trading or non-trading.

As noted earlier, companies face three rates of tax: trading income (taxed at 12.5%), passive income (25%) and capital gains (33%). While it is not possible to provide the amounts of *tax collected* under each rate (due to the manner in which the tax assessment calculation operates), Table 12 provides the *taxable income* (or gain) returned at each rate.

**Table 12: Taxable Income by Tax Rate**

Year	Trading Income €m	Non-Trading Income €m	Capital Gains €m
	12.5%	25%	33%
2017	75,246	4,409	602
2018	86,898	9,151	696
2019	96,284	10,155	812
2020	103,335	7,123	1,269

Source: Revenue analysis. Note: From 2020 onwards, the gains associated with section 627 disposals are included in the Capital Gains figure above. These amount to €26.6m gains at 33% by 86 companies.

As certain reliefs can be offset against profits taxable at the higher rate before offsetting them against income taxable at the 12.5% rate, the bulk of CT paid was attributed to trading income in all years.

Table 13 shows the average effective tax rate of various categories of companies. The effective tax rate for 2020 is calculated at 10.6% for all companies. This rate has been largely stable over the last few years. The average effective rate of foreign-owned companies is higher than for domestic companies.

**Table 13: Effective Rates of Tax**

	<b>Effective Rate %</b>
All Companies	10.6
Foreign-Owned Multinationals	11.2
Irish-Owned Multinationals	6.7
Non-Multinationals	9.7
Top 10 Companies	11.9
Top 100 Companies	11.1
LCD Companies	10.9

Source: Revenue analysis.

The effective rate of tax can be higher or lower than the statutory tax rate. Various tax reliefs, credits and deductions can lead to effective rates that are lower than the statutory rate. The 25% tax rate on non-trading income can lead to a company's overall effective tax rate being in excess of the statutory 12.5% tax rate. Approximately half of the top 100 companies had non-trading income taxable at 25%.

The effective tax rate is calculated by Revenue as tax due in proportion to taxable income.<sup>12</sup> Were it calculated instead with taxable income plus addback for double taxation and R&D credits, the rate is 13%, reflecting foreign taxation of income earned abroad. Calculating the rate on net trade profits plus dividends and other income generates a rate of 9%. However, this 9% does not reflect the fact that tax is paid in other jurisdictions on foreign income.

<sup>12</sup> As outlined in the Department of Finance technical paper by Coffey and Levey (2014).

## 4 Other Company Structures and Returns

### 4.1 Close Companies and Surcharges

A 'close company' is a company that is under the control of 5 or fewer participators (together with their associates), or any number of participators (and their associates) who are directors. A participator is, broadly speaking, any person with a share or interest in the capital or income of the company.

A surcharge at the rate of 20% is imposed on the undistributed estate and investment income (broadly, interest and rental income) of close companies, where it is not distributed within 18 months of the end of the accounting period to which it relates. Close companies that are service companies are also liable to a 15% surcharge on 50 per cent of their undistributed trading income. Table 14 shows the number of close company returns and the associated CT liability, alongside the close company surcharge amounts for each year. Also shown are the number of companies liable to the service company surcharge and the amount due.

**Table 14: Close Company and Service Company Surcharge**

	2018	2019	2020
Number of Close Company Corporation Tax returns	134,473	135,136	143,072
Corporation Tax Liability	€849m	€1,233m	€925m
Number of Companies returning Close Company Surcharge	4,562	4,895	5,399
Amount of Surcharge returned	€27.7m	€31.2m	€37.5m
Number of Companies returning Service Company Surcharge	2,602	2,896	3,296
Amount of Surcharge returned	€15.4m	€18.0m	€21.5m

Source: Revenue analysis.

### 4.2 Section 110 Companies and Aircraft Leasing

A Section 110 company is an Irish resident special purpose vehicle that holds and/or manages "qualifying assets".<sup>13</sup> Table 15 shows the CT receipts from these companies along with employment tax and number information and VAT receipts. Table 16 shows Section 110 notifications and registrations ceased.

**Table 15: Gross and Net Receipts of Section 110 Companies**

Year	Number of Companies*	Gross CT Receipts €m	% of Gross Receipts	Net CT Receipts €m	% of Net Receipts	Employment Taxes €m	VAT Receipts €m
2019	1,355	77	0.7%	62	0.6%	6.7	7.2
2020	1,622	73	0.6%	65	0.6%	7.0	-4.6
2021	1,722	103	0.6%	75	0.5%	7.7	5.9

Source: Revenue analysis. Note: \*The number of Corporation Taxpayers in the year shown.

<sup>13</sup> A company must meet certain conditions, one of which is to notify Revenue of its status as a qualifying company. Finance Act 2016 made certain changes to the taxation of qualifying companies, within the meaning of section 110 TCA 1997.

**Table 16: Section 110 Companies Notifications Received and Registrations Ceased**

Year	Number of Notifications Received	Number of tax Registrations Ceased
2019	540	<10*
2020	363	<10*
2021	583	<10*

Source: Revenue analysis. \*Less than 10 claimants, the exact number is not shown to protect taxpayer confidentiality.

Table 17 shows the net and gross CT receipts alongside employee taxes, numbers and VAT receipts from aircraft leasing companies.

**Table 17: Gross and Net Receipts of Aircraft Leasing Companies**

Year	Number of Companies*	Gross CT Receipts	% of Gross Receipts	Net CT Receipts	% of Net Receipts	Employment Taxes	VAT Receipts
		€m		€m		€m	€m
2019	483	146.9	1.3%	142.7	1.3%	291.7	-47.2
2020	515	121.4	0.9%	105.5	0.9%	281.6	-49.9
2021	420	61.5	0.4%	46	0.3%	299.7	-54.4

Source: Revenue analysis. \*The number of Corporation Taxpayers in the year shown.

### 4.3 Irish Real Estate Fund Regime

Section 23 Finance Act 2016 introduced, and Section 18 Finance Act 2017 amended, the Irish Real Estate Fund (“IREF”) regime, which takes effect for accounting periods commencing on or after 1 January 2017. IREFs do not pay CT, but pay an IREF Withholding Tax (WHT). Table 18 shows the information from IREF returns.

**Table 18: Irish Real Estate Funds**

IREF Asset Description	For Accounting Periods Ending 1 Jul – 31 Dec 2017	For Accounting Periods Ending 1 Jan – 3 Dec 2018	For Accounting Periods Ending 1 Jan – 31 Dec 2019	For Accounting Periods Ending 1 Jan – 31 Dec 2020
	€m	€m	€m	€m
Residential - Dublin	732	1,882	3,094	3,453
Residential - Rest Leinster	52	21	141	310
Residential - Ulster	2	0	0	7
Residential - Munster	34	0	190	161
Residential - Connacht	15	90	38	75
Retail	2,078	1,447	3,154	3,501
Commercial	3,837	2,887	7,688	9,137
Mixed-use	56	40	203	404
Development land	617	550	881	892
Other	236	54	1,954	1,379
Shares in a REIT	269.45	106	152	151
Other shares	0	253	671	467
Specified Mortgages	0	82	143	42
Units in an IREF	0	91	108	313
<b>Total</b>	<b>7,929</b>	<b>7,501</b>	<b>18,417</b>	<b>20,293</b>
IREF Taxable Amount*	45	213	369	621
Number of Returns received	52	89	180	204
Amount of IREF Withholding Tax Deducted €m				
Year	2018	2019	2020	2021
	8.3	28.2	65.8	36.8

Source: Revenue analysis. Notes: \*IREF taxable amount is before exemptions; IREF WHT does not apply to distributions made to Irish investors, exempt investors or certain specified distributions.

A total of 204 IREF WHT Annual Returns were received for the 2020 period.

A factor in the increase in the number of returns filed in 2020 compared to 2019 is an amendment in Finance Act 2019. Prior to that amendment, IREFs were only required to file a return if they had an IREF Taxable Event in the year but following the amendment, every IREF is required to submit a return for the financial year 2020 (and thereafter) regardless of whether it had an IREF Taxable Event in the year of assessment. The IREF filing deadlines were 30 January 2021 and 30 July 2021.

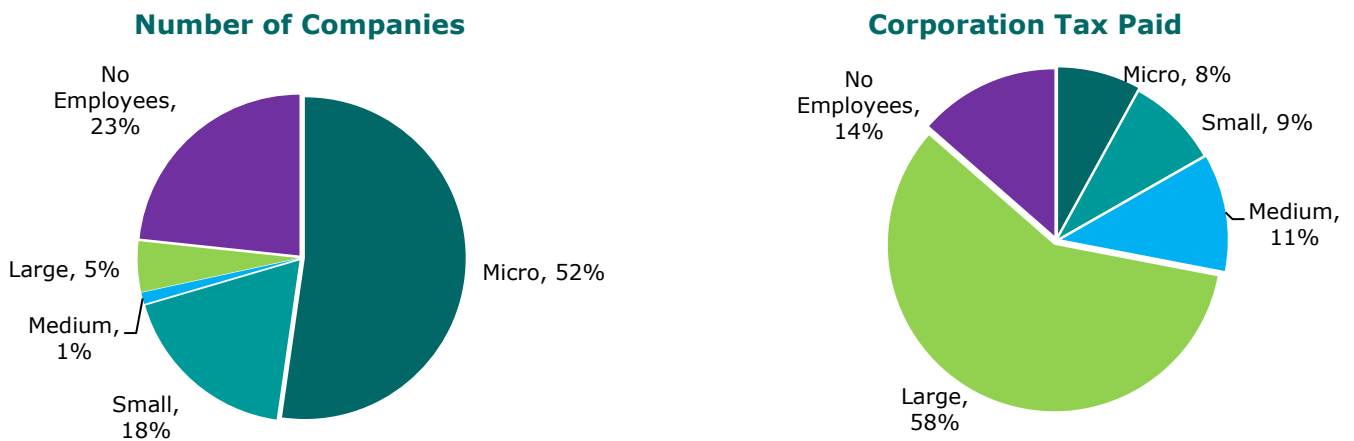
## 5 Employment and Payroll

As well as CT, companies contribute to the Exchequer as employers by collecting and paying over payroll taxes.

Employer returns to Revenue are on an *employment* rather than *employee* basis. An employee may have more than one employment (e.g., changing employment during the year or having a second job). Employments are a mix of part-time and full-time and also include as employments those who are in receipt of occupational pensions.

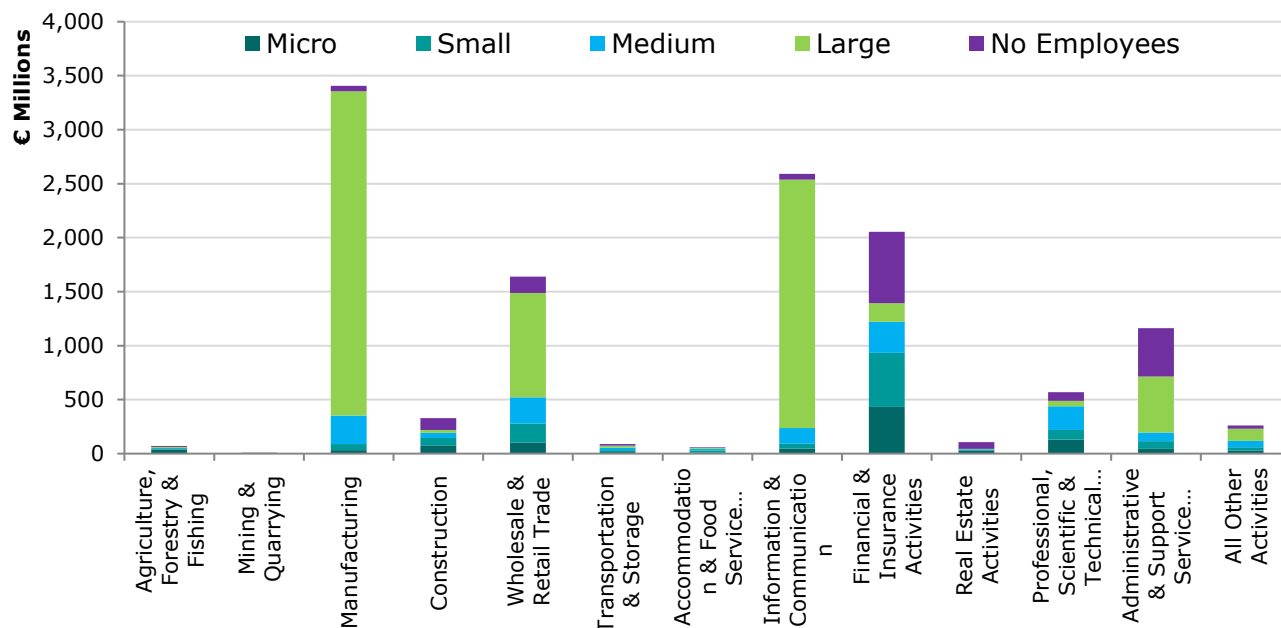
Figure 8 shows the number of companies and CT payments, both categorised by number of employments. While the majority (52 per cent) were micro companies, large companies accounted for over half of CT receipts. Companies with “no employees” may be affiliates within a larger corporate group, for example where one company pays the CT and another records the employments for the group.

**Figure 8: Number of Companies and Corporation Tax by Company Size 2020**



Source: Revenue analysis. Note: ‘Micro’ refers to companies with between 1 and 10 employments, ‘Small’ 11 and 50 employments, ‘Medium’ 51 to 250, and ‘Large’ over 250 employments.

Figure 9 shows the CT payments by sector broken down by the size of the company (based on number of employees). The majority of payments of CT, particularly across the largest sectors, were made by companies with significant employment.

**Figure 9: Corporation Tax by Company Size 2020**

Source: Revenue analysis. Note: 'Micro' refers to companies with between 1 and 10 employments, 'Small' 11 and 50 employments, 'Medium' 51 and 250, and 'Large' over 250 employments.

Table 19 breaks down the value of PAYE, USC, PRSI remitted by companies as employers (on behalf of employees) and employment income (paid to employees) in 2020 by ranges of gross CT liability.<sup>14</sup> The VAT paid over by companies is also shown. The first panel displays data in respect of all companies, the following panels show the same for all multinationals, foreign-owned multinationals, Irish-owned multinationals and non-multinational companies respectively. Table 20 shows the same information by sector of the company.

There were around 2.4 million employments in companies. Approximately 1 million were employed in multinational companies, while the majority of the balance were employed by non-multinationals. The combined Income Tax, USC and PRSI payments for these employments were €21.4 billion (€14.3 billion for multinationals' employees). Average earnings (and consequently average tax payments) were highest among employments of foreign-owned multinationals.

Foreign-owned multinationals had 761,000 employments in 2020 on Revenue records. Revenue data show 433,000 employments in *Manufacturing, Administrative & Support, Information & Communication* and *Financial Services* sectors, which are likely to be the traditional FDI sector (with export oriented activities and IDA support). The remaining 328,000, of which the largest share was 158,000 in *Wholesale & Retail Trade*, are most likely foreign-owned multinationals operating in Ireland to serve the domestic market.

<sup>14</sup> Non-CT registered employers are not included in the following analysis.



**Table 19: Employment by Liability Amount 2020**  
**All Companies**

CT Liability €	Companies returns Number	Total CT Liabile €m	Employments Number	Earnings €m	Income Tax €m	USC €m	PRSI €m	VAT €m
Negative or Nil	107,571	-575	710,325	18,112	3,422	652	2,199	1,402
1-20,000	59,657	285	509,004	9,521	1,540	299	1,078	1,929
20,000-40,000	6,819	192	154,190	3,364	562	110	420	699
40,000-60,000	2,733	134	92,799	2,105	351	68	270	331
60,000-80,000	1,517	105	79,433	2,020	364	71	264	354
80,000-100,000	943	84	50,021	1,084	182	35	140	233
100,000-200,000	2,127	299	131,448	3,507	639	124	461	916
200,000-500,000	1,340	415	132,498	4,424	841	163	605	794
500,000-1,000,000	503	354	129,891	3,709	740	141	480	256
1,000,000-5,000,000	453	978	216,849	5,600	1,110	211	702	1,156
5,000,000-8,000,000	70	447	19,657	1,154	274	52	160	-51
8,000,000+	150	9,035	112,028	6,505	1,522	298	849	1,035
<b>Total</b>	<b>183,883</b>	<b>11,754</b>	<b>2,338,143</b>	<b>61,105</b>	<b>11,547</b>	<b>2,226</b>	<b>7,628</b>	<b>9,052</b>

**Foreign-Owned Multinationals Only**

CT Liability €	Companies returns Number	Total CT Liabile €m	Employments Number	Earnings €m	Income Tax €m	USC €m	PRSI €m	VAT €m
Negative or Nil	9,388	-283	161,487	6,950	1,505	290	933	251
1-20,000	3,895	15	76,182	2,199	452	89	298	609
20,000-40,000	583	17	29,152	1,124	235	46	156	187
40,000-60,000	343	17	16,533	638	128	25	88	23
60,000-80,000	252	18	20,424	683	132	25	92	44
80,000-100,000	193	17	11,544	366	69	13	51	63
100,000-200,000	531	77	41,463	1,502	314	61	205	419
200,000-500,000	576	184	68,797	2,793	572	111	389	463
500,000-1,000,000	277	197	86,927	2,427	506	95	307	165
1,000,000-5,000,000	318	694	141,409	3,966	790	151	512	1,114
5,000,000-8,000,000	60	385	15,332	885	214	41	124	-52
8,000,000+	119	8,382	91,787	5,308	1,281	251	703	839
<b>Total</b>	<b>16,535</b>	<b>9,719</b>	<b>761,037</b>	<b>28,842</b>	<b>6,197</b>	<b>1,197</b>	<b>3,858</b>	<b>4,126</b>

**Irish-Owned Multinationals Only**

CT Liability €	Company returns Number	Total CT Liabile €m	Employments Number	Earnings €m	Income Tax €m	USC €m	PRSI €m	VAT €m
Negative or Nil	1,756	-22	86,984	3,420	642	122	428	180
1-20,000	443	2	25,240	922	177	35	108	-18
20,000-40,000	65	2	4,231	159	32	6	21	13
40,000-60,000	37	2	3,444	88	15	3	12	5
60,000-80,000	32	2	8,618	349	71	14	49	101
80,000-100,000	19	2	1,325	58	12	2	8	7
100,000-200,000	84	13	9,108	258	42	8	35	22
200,000-500,000	95	30	9,681	275	50	10	38	74
500,000-1,000,000	58	41	22,555	638	116	23	85	13
1,000,000-5,000,000	41	92	48,153	991	213	40	104	-52
5,000,000-8,000,000	7	44	4,123	249	56	10	35	1
8,000,000+	19	414	19,436	1,137	227	45	138	298
<b>Total</b>	<b>2,656</b>	<b>620</b>	<b>242,898</b>	<b>8,544</b>	<b>1,653</b>	<b>318</b>	<b>1,060</b>	<b>644</b>

## Non-Multinational Companies Only

CT Liability €	Company returns Number	Total CT Liable €m	Employments Number	Earnings €m	Income Tax €m	USC €m	PRSI €m	VAT €m
Negative or Nil	96,427	-269	461,854	7,742	1,274	241	837	970
1-20,000	55,319	269	407,582	6,400	912	176	672	1,338
20,000-40,000	6,171	173	120,807	2,081	295	57	243	500
40,000-60,000	2,353	115	72,822	1,378	208	41	170	303
60,000-80,000	1,233	85	50,391	988	161	32	124	208
80,000-100,000	731	65	37,152	660	101	20	81	163
100,000-200,000	1,512	210	80,877	1,747	282	55	221	474
200,000-500,000	669	200	54,020	1,356	219	43	178	257
500,000-1,000,000	168	117	20,409	644	118	23	87	78
1,000,000-5,000,000	94	192	27,287	643	108	21	86	94
5,000,000-8,000,000	3	18	202	20	4	1	2	0
8,000,000+	12	239	805	59	14	3	9	-103
<b>Total</b>	<b>164,692</b>	<b>1,415</b>	<b>1,334,208</b>	<b>23,719</b>	<b>3,697</b>	<b>711</b>	<b>2,710</b>	<b>4,282</b>

Table 20: Employment by Sector 2020

## All Companies

Sector	Companies returns Number	Total CT Liable €m	Employees Number	Earnings €m	Income Tax €m	USC €m	PRSI €m	VAT €m
Manufacturing	10,515	3,307	250,960	9,747	1,796	362	1,300	461
Financial & Insurance Activities	20,831	1,900	226,726	7,278	1,713	316	841	-10
Information & Communication	13,336	2,496	143,967	7,854	1,926	360	1,004	472
Wholesale & Retail Trade	27,550	1,594	467,898	10,625	1,762	348	1,338	5,369
Administrative & Support Services	11,718	1,102	253,529	4,453	759	147	592	495
Professional, Scientific & Technical Activities	25,413	432	161,597	6,267	1,393	260	742	941
Transportation & Storage	5,166	90	104,593	2,769	393	79	329	253
Mining & Quarrying	296	8	4,882	181	31	6	25	-18
Construction	24,829	330	161,806	3,998	641	123	496	-31
Accommodation & Food Services	9,608	62	250,222	1,762	146	32	199	321
Real Estate Activities	10,335	111	25,882	646	134	25	75	361
Agriculture, Forestry & Fishing	6,955	71	37,694	649	85	17	73	-33
Other Sectors	17,331	250	248,387	4,875	768	151	614	471
<b>Total</b>	<b>183,883</b>	<b>11,754</b>	<b>2,338,143</b>	<b>61,105</b>	<b>11,547</b>	<b>2,226</b>	<b>7,628</b>	<b>9,052</b>

## Foreign Multinational Companies Only

Sector	Companies returns Number	Total CT Liable €m	Employments Number	Earnings €m	Income Tax €m	USC €m	PRSI €m	VAT €m
Manufacturing	1,108	3,142	131,181	6,604	1,312	265	922	165
Financial & Insurance Activities	4,833	1,436	136,827	4,387	1,070	198	519	19
Information & Communication	1,219	2,475	86,199	5,816	1,492	281	771	267
Wholesale & Retail Trade	1,789	1,151	158,122	4,964	953	188	672	3,040
Administrative & Support Services	3,084	1,032	79,239	1,963	369	72	273	184
Prof., Scien. & Technical Activities	1,424	263	45,456	2,184	516	97	298	125
Transportation & Storage	299	26	18,766	604	96	20	82	6
Mining & Quarrying	20	4	1,113	74	15	3	11	-30
Construction	949	62	14,891	528	98	18	75	-13
Accommodation & Food Services	272	8	36,727	355	34	7	45	47
Real Estate Activities	683	23	7,359	266	61	12	36	214
Agriculture, Forestry & Fishing	151	5	2,374	61	9	2	9	-7
Other Sectors	704	91	42,783	1,038	173	34	145	109
<b>Total</b>	<b>16,535</b>	<b>9,719</b>	<b>761,037</b>	<b>28,842</b>	<b>6,197</b>	<b>1,197</b>	<b>3,858</b>	<b>4,126</b>

## Irish-Owned Multinationals Only

Sector	Companies returns	Total CT Liable	Employments	Earnings	Income Tax	USC	PRSI	VAT
	Number	€m	Number	€m	€m	€m	€m	€m
Manufacturing	94	45	14,217	754	148	29	81	184
Financial & Insurance Activities	990	206	68,295	2,063	447	80	229	-150
Information & Communication	136	2	4,287	223	51	10	31	28
Wholesale & Retail Trade	342	189	39,320	1,150	201	40	158	394
Administrative & Support Services	124	18	11,106	336	74	15	44	-7
Prof., Scien. & Technical Activities	255	39	19,787	1,072	246	48	143	36
Transportation & Storage	52	6	37,623	1,260	184	37	139	9
Mining & Quarrying	0	0	0	0	0	0	0	0
Construction	151	25	10,675	451	88	16	64	-14
Accommodation & Food Services	38	0	5,297	55	6	1	7	2
Real Estate Activities	167	0	762	21	5	1	2	4
Agriculture, Forestry & Fishing	29	0	1,633	40	5	1	6	3
Other Sectors	278	89	29,896	1,118	198	40	156	156
<b>Total</b>	<b>2,656</b>	<b>620</b>	<b>242,898</b>	<b>8,544</b>	<b>1,653</b>	<b>318</b>	<b>1,060</b>	<b>644</b>

## Non-Multinationals Only

Sector	Companies returns	Total CT Liable	Employments	Earnings	Income Tax	USC	PRSI	VAT
	Number	€m	Number	€m	€m	€m	€m	€m
Manufacturing	9,313	120	105,562	2,390	335	67	297	112
Financial & Insurance Activities	15,008	259	21,604	828	196	37	93	121
Information & Communication	11,981	19	53,481	1,816	384	70	202	178
Wholesale & Retail Trade	25,419	254	270,456	4,511	608	120	508	1,936
Administrative & Support Services	8,510	52	163,184	2,155	316	60	275	318
Prof., Scien. & Technical Activities	23,734	130	96,354	3,011	631	115	301	780
Transportation & Storage	4,815	58	48,204	906	113	23	108	237
Mining & Quarrying	276	4	3,760	107	16	3	15	11
Construction	23,729	242	136,240	3,019	456	88	357	-4
Accommodation & Food Services	9,298	53	208,198	1,352	107	23	148	271
Real Estate Activities	9,485	87	17,761	360	68	13	37	143
Agriculture, Forestry & Fishing	6,775	66	33,687	549	70	14	59	-29
Other Sectors	16,349	70	175,717	2,718	397	77	312	207
<b>Total</b>	<b>164,692</b>	<b>1,415</b>	<b>1,334,208</b>	<b>23,719</b>	<b>3,697</b>	<b>711</b>	<b>2,710</b>	<b>4,282</b>

Source: Revenue analysis.

Companies which were not CT liable (for example, because they had not made a profit in a given year) were significant employers. Of the totals as shown in Table 19, CT non-liable companies were responsible for 30.4 per cent of employments among companies and 29.3 per cent of associated Income Tax, USC and PRSI. Non-CT liable foreign-owned multinationals accounted for only 21.2 per cent of total foreign multinational employments and 24.2 per cent of associated Income Tax, USC and PRSI payments for foreign multinational companies.

Table 21 shows CT receipts and the employment, earnings / Income Tax and VAT information for the top 100 companies and the top 100 groups.

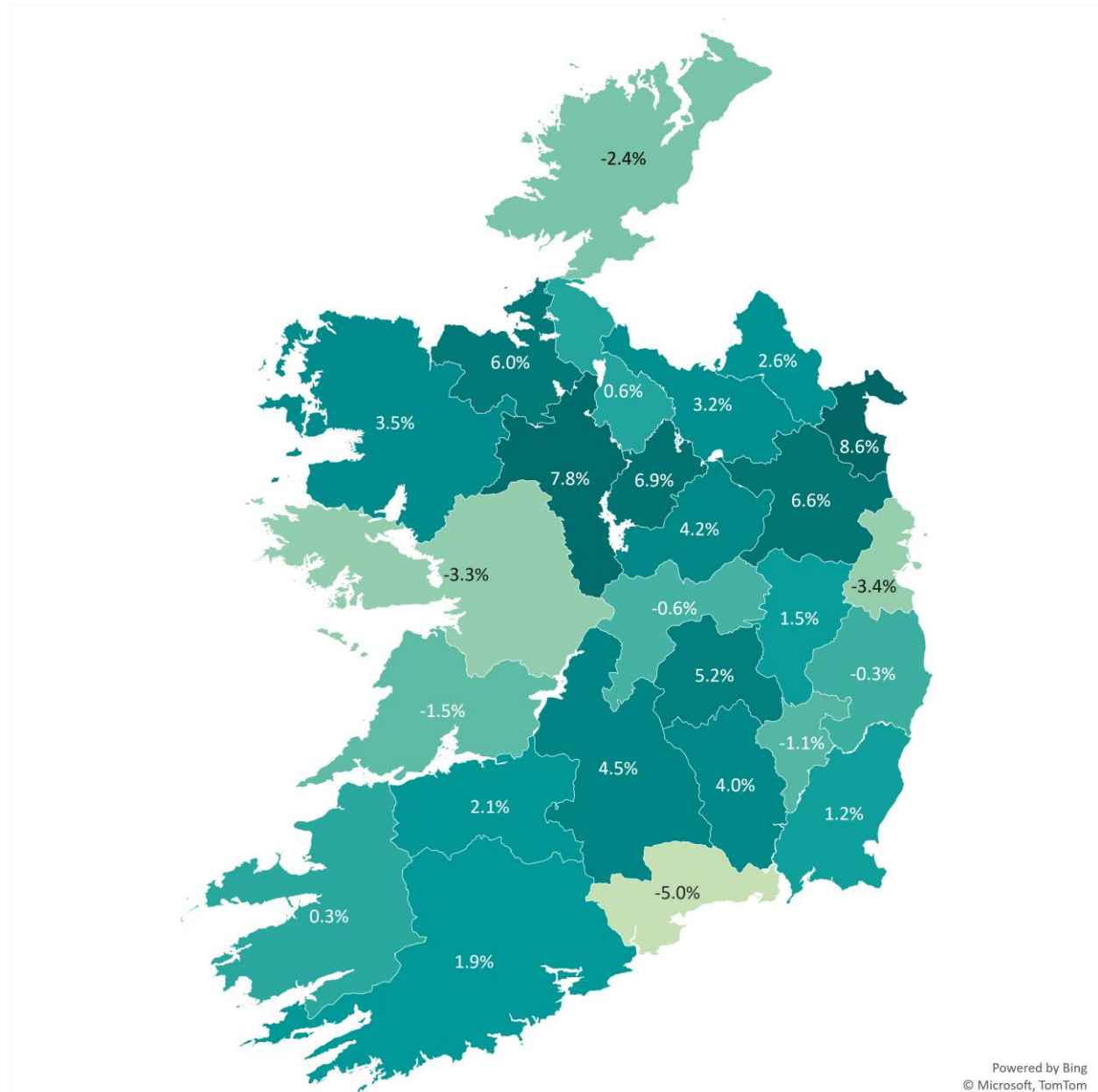
**Table 21: Receipts from Top Groups and Companies 2021**

Companies	Net CT Liable €m	Employments Number	Earnings €m	Income Tax €m	USC €m	PRSI €m	VAT €m
Top 10 Companies	8,176	25,210	2,544	728	142	209	149
Top 10 Groups	8,563	34,419	3,266	901	178	277	82*
Top 100 Companies	12,059	100,400	6,510	1,600	310	850	1,741
Top 100 Groups	12,131	181,300	10,510	2,490	490	1,400	982

Source: Revenue analysis. \*Refunds for groups were significant in the year.

Figure 10 shows the growth rates of employment by county between 2019 and 2020. Overall, there was a small reduction (-1.2 per cent), largely due to the impacts of the COVID-19 pandemic and the associated health restrictions.

**Figure 10: Employment Growth by County 2020**



Source: Revenue analysis.

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## 6 Conclusion

This report summarises the trends in CT payments in 2021, returns for 2020 and employment by companies. Revenue strives to make more information available to policy makers and other interested stakeholders. The following are the main points to note from the report.

Net CT receipts in 2021 increased by €3.5 billion to €15.3 billion. By sector, companies in *Manufacturing* (€1.5 billion increase over 2020) had the most significant increase. *Manufacturing* also remains the largest CT paying sector (€4.4 billion in CT payments). Net CT receipts from large companies (across all sectors) increased by €2.6 billion (25 per cent) to €12.9 billion. However, receipts from smaller (non-LCD) companies grew at a faster rate of 59 per cent in 2021. Smaller companies were worse impacted by the COVID pandemic and associated public health restrictions in 2020, but their recovery in 2021 has been more marked.

Information from CT1 returns indicate that underlying trading profits in 2020 are slightly down on 2019. Losses forward claims increased by €2.7 billion. Capital allowances claimed in respect of intangible assets in 2020 increased by approximately €48 billion. R&D credit claims increased somewhat in 2020, 1,601 claimants in 2019 increasing to 1,616 in 2020, with an increase in the cost €626 million in 2019 to €658 million in 2020. The effective tax rate for 2020 is calculated at 10.6% for all companies overall, up slightly from 10.3% for 2019.

Further detail from CT payments and tax returns is published on the Statistics pages of the Revenue website at: <https://www.revenue.ie/en/corporate/information-about-revenue/statistics/index.aspx>.