

## **Surcharge for late Returns in cases starting a business/trade**

### **Part 47-06-02**

This document should be read in conjunction with section 1084 (4) of the Taxes Consolidation Act 1997

Document updated February 2018.

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## Surcharge - Commencement Cases

### Summary

Section 1084(4) of the Taxes Consolidation Act 1997 provides for a special rule in relation to the late Return surcharge for an individual starting a new business, trade or profession.

#### 1. Application of instruction

This instruction applies to income tax and sets out the return filing dates for new businesses which must be met to avoid the surcharge for late filing of a Return.

See [Tax and Duty Manual Part 47-06-08](#) in relation to surcharge generally.

#### 2. New businesses

In the case of a new business, the surcharge provisions of section 1084 only apply to delays in filing a Return from the second filing date of the business. However, this does not apply to new businesses where the promoter or owner has an existing business, or where that person's spouse or civil partner has an existing business in respect of which both spouses and civil partners are jointly assessed to tax.

#### 3. Example

An individual commences business in a tax year 2016, and

Neither s/he nor their spouse or civil partner, if jointly assessed with the spouse or civil partner, was also carrying on another business in 2016 which had started in an earlier tax year.

The specified return date for surcharge purposes for the year in which the business starts becomes the specified return date which would normally apply for the following tax year (i.e. for 2016 return, 31 October 2018, instead of 31 October 2017). The 2017 return will also be due on 31 October 2018.

If the individual was a chargeable person in 2016, they will still have to pay preliminary tax for 2016 by 31 October 2017.