Bank Levy

Part 9

This document should be read in conjunction with
sections 126AA and 126B Stamp Duties Consolidation Act 1999

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Revenue
Cáin agus Custaim na hÉireann
Irish Tax and Customs

1 Introduction

Section 126AA of the Stamp Duties Consolidation Act (SDCA) 1999 provided for a levy on certain financial institutions (known as the "bank levy").

The levy was introduced by Finance (No. 2) Act 2013 and applied until the end of 2023.[1] It was calculated by reference to the amount of Deposit Interest Retention Tax (DIRT) paid by a financial institution in a specified base year. The levy was designed to produce a fixed annual yield of €150m.

Finance (No.2) Act 2023 provided for a new section 126AB to be inserted into the SDCA 1999, which section provides for a revised bank levy for the year 2024. Further information on the revised bank levy can be found in Tax and Duty Manual: Section 126AB Bank Levy.

2 Financial Institutions liable to the levy

The levy was 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
- was carrying on a trade or business in the State, whether a business of taking and holding deposits or not, on the date the return and payment were due for the year.

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

For the years 2022 and 2023, KBC Bank Ireland plc and Ulster Bank Ireland DAC were not liable for the levy. In addition, any deposits that transferred from KBC Bank Ireland plc or Ulster Bank Ireland DAC to other financial institutions during 2022 or 2023 were not to be taken into account when calculating the levy payable by those financial institutions for 2022 or 2023. For these reasons, the levy was not intended to produce a fixed yield of €150m for the years 2022 and 2023.

3 Amount of levy payable

The amount of the levy payable was a percentage of the "assessable amount" depending on the base year. The "assessable amount" was the amount of DIRT paid by the financial institution in respect of the base year together with any amount of DIRT that the financial institution should have paid in respect of the base year.

The table below shows the levy payable as a percentage of the DIRT payable for each year:

[1] Section 126A SDCA 1999 provided for a bank levy which applied from 2003 to 2005.

Year payable	Base Year (year DIRT payable)	Rate of charge (% DIRT paid)	Return/payment 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	170%	20 October 2019
2020	2017	170%	20 October 2020
2021	2019	308%	20 October 2021
2022	2019	308%	20 October 2022
2023	2019	308%	20 October 2023

4 Delivery of Statement

A financial institution liable to the levy was required to file a return on or before 20 October in a year showing the assessable amount for the financial institution. The levy was payable on delivery of the return and was to be paid through the RevPay system.

5 Assessments

Section 126B SDCA 1999 allows Revenue to make assessments on a financial institution that has failed to file a return or failed to file a full and true return.

Assessments can be appealed to the Tax Appeals Commission if a return has first been filed and the amount in the assessment has been paid.

6 Levy not allowed as deductible expense

The levy (or any interest or penalties related to the levy) cannot be claimed as a deduction or a credit in computing any other tax or duty.