

Section 10 Connected persons

(1) In this section-
"close company" has the meaning assigned to it by sections 430 and 431;
"company" has the same meaning as in section 4(1);
"control" shall be construed in accordance with section 432;
"relative" means brother, sister, ancestor or lineal descendant and, for the purposes of the Capital Gains Tax Acts, also means uncle, aunt, niece or nephew;
"settlement" includes any disposition, trust, covenant, agreement or arrangement, and any transfer of money or other property or of any right to money or other property;
"settlor", in relation to a settlement, means any person by whom the settlement was made, and a person shall be deemed for the purposes of this section to have made a settlement if the person has made or entered into the settlement directly or indirectly and, in particular (but without prejudice to the generality of the preceding words), if the person has provided or undertaken to provide funds directly or indirectly for the purpose of the settlement, or has made with any other person a reciprocal arrangement for that other person to make or enter into the settlement.

(2) For the purposes of the Tax Acts and the Capital Gains Tax Acts, except where the context otherwise requires, any question whether a person is connected with another person shall be determined in accordance with subsections (3) to (8) (any provision that one person is connected with another person being taken to mean that they are connected with one another).

(3) A person shall be connected with an individual if that person is the individual's husband, wife or civil partner, or is a relative, or the husband, wife or civil partner of a relative, of the individual or of the individual's husband, wife or civil partner.

Amendments

Subs (3) substituted by Finance (No. 3) Act 2011 section 1(2) and Schedule 1 Item 7 from 27 July 2011.

(4) A person in the capacity as trustee of a settlement shall be connected with-
 (a) any individual who in relation to the settlement is a settlor,
 (b) any person connected with such an individual, and
 (c) a body corporate which is deemed to be connected with that settlement, and a body corporate shall be deemed to be connected with a settlement in any accounting period or, as the case may be, year of assessment if, at any time in that period or year, as the case may be, it is a close company (or only not a close company because it is not resident in the State) and the participators then include the trustees of or a beneficiary under the settlement.

(5) Except in relation to acquisitions or disposals of partnership assets pursuant to bona fide commercial arrangements, a person shall be connected with any person with whom such person is in partnership, and with the spouse or a relative of any individual with whom such person is in partnership.

(6) A company shall be connected with another company-
 (a) if the same person has control of both companies, or a person (in this paragraph referred to as **"the first-mentioned person"**) has control of one company and persons connected with the first-mentioned person, or the first-mentioned person and persons connected with the first-mentioned person, have control of the other company, or
 (b) if a group of 2 or more persons has control of each company, and the groups either consist of the same persons or could be regarded as consisting of the same persons by treating (in one or more cases) a member of either group as replaced by a person with whom such member is connected.

(7) A company shall be connected with another person if that person has control of the company or if that person and persons connected with that person together have control of the company.

(8) Any 2 or more persons acting together to secure or exercise control of, or to acquire a holding in, a company shall be treated in relation to that company as connected with one another and with any person acting on the direction of any of them to secure or exercise control of, or to acquire a holding in, the company.

Section 11 Meaning of "control" in certain contexts

For the purposes of, and subject to, the provisions of the Corporation Tax Acts which apply this section, **"control"**, in relation to a company, means the power of a person to secure-

- (a) by means of the holding of shares or the possession of voting power in or in relation to that or any other company, or
- (b) by virtue of any powers conferred by the articles of association or other document regulating that or any other company,

that the affairs of the first-mentioned company are conducted in accordance with the wishes of that person and, in relation to a partnership, means the right to a share of more than 50 per cent of the assets, or of more than 50 per cent of the income, of the partnership.

Part 2 THE CHARGE TO TAX

CHAPTER 1 Income tax

Section 12 The charge to income tax

Income tax shall, subject to the Income Tax Acts, be charged in respect of all property, profits or gains respectively described or comprised in the Schedules contained in the sections enumerated below-

- Schedule C - Section 17;
- Schedule D - Section 18;
- Schedule E - Section 19;
- Schedule F - Section 20;

and in accordance with the provisions of the Income Tax Acts applicable to those Schedules.

Section 13 Extension of charge to income tax to profits and income derived from activities carried on and employments exercised on the Continental Shelf

(1) In this section and in Schedule 1-

"designated area" means an area designated by order under section 2 of the Continental Shelf Act, 1968;

"exploration or exploitation activities" means activities carried on in connection with the exploration or exploitation of so much of the sea bed and subsoil and their natural resources as is situated in the State or in a designated area;

"exploration or exploitation rights" means rights to assets to be produced by exploration or exploitation activities or to interests in or to the benefit of such assets.

(2) Any profits or gains from exploration or exploitation activities carried on in a designated area or from exploration or exploitation rights shall be treated for income tax purposes as profits or gains from activities or property in the State.

(3) Any profits or gains arising to any person not resident in the State from exploration or exploitation activities carried on in the State or in a designated area or from exploration or exploitation rights shall be treated for income tax purposes as profits or gains of a trade carried on by that person in the State through a branch or agency.

(4) Where exploration or exploitation activities are carried on by a person on behalf of the holder of a licence or lease granted under the Petroleum and Other Minerals Development Act, 1960, such holder shall, for the purpose of an assessment to income tax, be deemed to be the agent of that person.

Amendments

Subs (4) substituted by Finance Act 2001 section 44(a).

(5) Any emoluments from an office or employment in respect of duties performed in a designated area in connection with exploration or exploitation activities shall be treated for income tax purposes as emoluments in respect of duties performed in the State.

(6) Schedule 1 shall apply for the purpose of supplementing this section.

Section 14 Fractions of a euro and yearly assessments

(1) The due proportion of income tax shall be charged for every fractional part of [one euro]¹, but no income tax shall be charged on a lower denomination than [one cent]¹.

Amendments

¹ Substituted by Finance Act 2001 section 240(2) and Schedule 5 as respects 2002 and later tax years.

(2) Every assessment and charge to income tax shall be made for a year of assessment.

Amendments

Subs (2) substituted by Finance Act 2001 section 77(1)(c).

Section 15 Rate of charge

(1) Subject to subsection (2), income tax shall be charged for each year of assessment at the rate of tax specified in the Table to this section as the standard rate.

(2) Where a person who is charged to income tax for any year of assessment is an individual (other than an individual acting in a fiduciary or representative capacity), such individual shall, notwithstanding anything in the Income Tax Acts but subject to section 16(2), be charged to tax on such individual's taxable income-

(a) in a case in which such individual is assessed to tax otherwise than in accordance with [section 1017 or 1031C]¹ and is not an individual referred to in paragraph (b), at the rates specified in Part 1 of the Table to this section, or

(b) in a case in which the individual is assessed to tax otherwise than in accordance with [section 1017 or 1031C]¹ and is entitled to a reduction of tax provided for in section 462, at the rates specified in Part 2 of the Table to this section, or

(c) subject to subsections (3) and (5), in a case in which such individual is assessed to tax in accordance with [section 1017 or 1031C]¹, at the rates specified in Part 3 of the Table to this section,

and the rates in each Part of that Table shall be known respectively by the description specified in column (3) in each such Part opposite the mention of the rate or rates, as the case may be, in column (2) of that Part.

Amendments

Subs (2) substituted by Finance Act 2000 section 3(a) for 2000-01 and later tax years.

1 Substituted by Finance (No. 3) Act 2011 section 1(2) and Schedule 1 Item 8 for 2011 and later tax years.

(3) Subject to subsections (4) and (5)-

(a) where an individual is charged to tax for a year of assessment in accordance with [section 1017 or 1031C]¹, and

(b) both the individual and his or her [spouse or civil partner]² are each in receipt of income in respect of which the individual is chargeable to tax in accordance with that section,

the part of his or her taxable income chargeable to tax at the standard rate specified in column (1) of Part 3 of the Table to this section shall be increased by an amount which is the lesser of-

(i) [€23,800]³, and

(ii) the specified income of the individual or the specified income of the individual's [spouse or civil partner]², whichever is the lesser.

Amendments

Subs (3) was originally added by Finance Act 2000 section 3(a) for 2000-01 and later tax years.

1 Substituted by Finance (No. 3) Act 2011 section 1(2) and Schedule 1 Item 8 for 2011 and later tax years.

2 Substituted by Finance (No. 3) Act 2011 section 1(2) and Schedule 1 Item 9 for 2011 and later tax years.

3 Substituted by Finance Act 2011 section 4(a) for 2011 and later tax years.

(4) For the purposes of subsection (3) "**specified income**" means total income after deducting from such income any deduction attributable to a specific source of income and any relevant interest within the meaning of Chapter 4 of Part 8.

Amendments

Subs (4) substituted by Finance Act 2001 section 3(a) for 2001 and later tax years. Originally added by Finance Act 2000 section 3(a) for 2000-01 and later tax years.

(5) Where all or any part of an increase under subsection (3) in the amount of an individual's taxable income chargeable to income tax at the standard rate is attributable to emoluments from which tax is deductible in accordance with the provisions of Chapter 4 of Part 42 and any regulations made thereunder, then, the full amount of the increase, or that part of the increase, as may be appropriate in the circumstances, shall only be used in accordance with the provisions of that Chapter and those regulations in calculating the amount of tax to be deducted from those emoluments.

[TABLE

Part 1	Rate of tax	Description of rate
(1)	(2)	(3)
The first €32,800	20 per cent	the standard rate
The remainder	41 per cent	the higher rate
PART 2		
The first €36,800	20 per cent	the standard rate
The remainder	41 per cent	the higher rate
PART 3		
The first €41,800	20 per cent	the standard rate
The remainder	41 per cent	the higher rate

]¹

Amendments

Subs (5) added by Finance Act 2000 section 3(a) for 2000-01 and later tax years.

1 Table substituted by Finance Act 2011 section 4(a) for 2011 and later tax years.

Section 16 Income tax charged by deduction

(1) In estimating under the Income Tax Acts the total income of any person, any income chargeable with tax by means of deduction at the standard rate in force for any year shall be deemed to be income of that year, and any deductions allowable on account of sums payable under deduction of tax at the standard rate in force for any year out of the property or profits of that person shall be allowed as deductions in respect of that year, notwithstanding that the income or sums, as the case may be, accrued or will accrue in whole or in part before or after that year.

(2) Where a person is required to be assessed and charged with tax in respect of any property, profits or gains out of which such person makes any payment in respect of any annual interest, annuity or other annual sum, or any royalty or other sum in respect of the user of a patent, such person shall, in respect of so much of the property, profits or gains as is equal to that payment and may be deducted in computing such person's total income, be charged at the standard rate only.

Section 17 Schedule C

(1) The Schedule referred to as Schedule C is as follows:

SCHEDULE C

- Tax under this Schedule shall be charged in respect of all profits arising from public revenue dividends payable in the State in any year of assessment.
- Where a banker or any other person in the State, by means of coupons received from another person or otherwise on that other person's behalf, obtains payment of any foreign public revenue dividends, tax under this Schedule shall be charged in respect of the dividends.
- Where a banker in the State sells or otherwise realises coupons for any foreign public revenue dividends and pays over the proceeds of such realisation to or carries such proceeds to the account of any person, tax under this Schedule shall be charged in respect of the proceeds of the realisation.
- Where a dealer in coupons in the State purchases coupons for any foreign public revenue dividends otherwise than from a banker or another dealer in coupons, tax under this Schedule shall be charged in respect of the price paid on the purchase.
- Nothing in paragraph 1 shall apply to any annuities which are not of a public nature.
- The tax under this Schedule shall be charged for every [one euro]¹ of the annual amount of the profits, dividends, proceeds of realisation or price paid on purchase charged.

Amendments

1 Substituted by Finance Act 2001 section 240(2) and Schedule 5 for 2002 and later tax years.

(2) Section 32 shall apply for the interpretation of Schedule C.

(3) Subsection (1) shall not apply to a banker by virtue only of the clearing of a cheque, or the arranging for the clearing of a cheque, by the banker.

Amendments

Subs (3) inserted by Finance Act 2005 section 46(1)(a) as respects payments on or after 25 March 2005.

Section 18 Schedule D

(1) The Schedule referred to as Schedule D is as follows:

SCHEDULE D

- Tax under this Schedule shall be charged in respect of-
 - the annual profits or gains arising or accruing to-
 - any person residing in the State from any kind of property whatever, whether situate in the State or elsewhere,
 - any person residing in the State from any trade, profession or employment, whether carried on in the State or elsewhere,
 - any person, whether a citizen of Ireland or not, although not resident in the State, from any property whatever in the State, or from any trade, profession or employment exercised in the State, and
 - any person, whether a citizen of Ireland or not, although not resident in the State, from the sale of any goods, wares or merchandise manufactured or partly manufactured by such person in the State,
 - and
 - all interest of money, annuities and other annual profits or gains not charged under Schedule C or Schedule E, and not specially exempted from tax,
- in each case for every [one euro]¹ of the annual amount of the profits or gains.
- Profits or gains arising or accruing to any person from an office, employment or pension shall not by virtue of paragraph 1 be chargeable to tax under this Schedule unless they are chargeable to tax under Case III of this Schedule.

Amendments

1 Substituted by Finance Act 2001 section 240(2) and Schedule 5 for 2002 and later tax years.

(2) Tax under Schedule D shall be charged under the following Cases:

Case I - Tax in respect of-

- any trade;
- profits or gains arising out of lands, tenements and hereditaments in the case of any of the following concerns-
 - quarries of stone, slate, limestone or chalk, or quarries or pits of sand, gravel or clay,
 - mines of coal, tin, lead, copper, pyrites, iron and other mines, and
 - ironworks, gasworks, salt springs or works, alum mines or works, waterworks, streams of water, canals, inland navigations, docks, drains or levels, fishings, rights of markets and fairs, tolls, railways and other ways, bridges, ferries and other concerns of the like nature having profits from or arising out of any lands, tenements or hereditaments;

Case II - Tax in respect of any profession not contained in any other Schedule;

Case III - Tax in respect of-

- any interest of money, whether yearly or otherwise, or any annuity, or other annual payment, whether such payment is payable in or outside the State, either as a charge on any property of the person paying the same by virtue of any deed or will or otherwise, or as a reservation out of it, or as a

personal debt or obligation by virtue of any contract, or whether the same is received and payable half-yearly or at any shorter or more distant periods, but not including any payment chargeable under Case V of Schedule D;

(b) all discounts;

(c) profits on securities bearing interest payable out of the public revenue other than those charged under Schedule C;

(d) interest on any securities issued, or deemed within the meaning of [section 36](#) to be issued, under the authority of the Minister for Finance, in cases where such interest is paid without deduction of tax;

(e) income arising from securities outside the State except such income as is charged under Schedule C;

[(f) income arising from possessions outside the State except, in the case of income from an office or employment (including any amount which would be chargeable to tax in respect of any sum received or benefit derived from the office or employment if the profits or gains from the office or employment were chargeable to tax under Schedule E), so much of that income as is attributable to the performance in the State of the duties of that office or employment;]¹

Case IV - Tax in respect of any annual profits or gains not within any other Case of Schedule D and not charged by virtue of any other Schedule;

Case V - Tax in respect of any rent in respect of any premises or any receipts in respect of any easement;

and subject to and in accordance with the provisions of the Income Tax Acts applicable to those Cases respectively.

Amendments

1 Para (f) substituted by Finance Act 2006 section 15 for 2006 and later tax years.

(3) This section is without prejudice to any other provision of the Income Tax Acts directing tax to be charged under Schedule D or under one or other of the Cases mentioned in subsection (2), and tax so directed to be charged shall be charged accordingly.

Section 19 Schedule E

(1) The Schedule referred to as Schedule E is as follows:
SCHEDULE E

1. In this Schedule, "**annuity**" and "**pension**" include respectively an annuity which is paid voluntarily or is capable of being discontinued and a pension which is so paid or is so capable.

2. Tax under this Schedule shall be charged in respect of every public office or employment of profit, and in respect of every annuity, pension or stipend payable out of the public revenue of the State, other than annuities charged under Schedule C, for every [one euro]¹ of the annual amount thereof.

3. Tax under this Schedule shall also be charged in respect of any office, employment or pension the profits or gains arising or accruing from which would be chargeable to tax under Schedule D but for paragraph 2 of that Schedule.

4. Paragraphs 1 to 3 are without prejudice to any other provision of the Income Tax Acts directing tax to be charged under this Schedule, and tax so directed to be charged shall be charged accordingly.

5. Subsection (2) and sections 114, 115 and 925 shall apply in relation to the tax to be charged under this Schedule.

Amendments

1 Substituted by Finance Act 2001 section 240(2) and Schedule 5 as respects 2002 and later tax years.

(2) Tax under Schedule E shall be paid in respect of all public offices and employments of profit in the State or by the officers respectively described below-

(a) offices belonging to either House of the Oireachtas;

(b) offices belonging to any court in the State;

(c) public offices under the State;

(d) officers of the Defence Forces;

(e) offices or employments of profit under any ecclesiastical body;

(f) offices or employments of profit under any company or society, whether corporate or not corporate;

(g) offices or employments of profit under any public institution, or on any public foundation of whatever nature, or for whatever purpose established;

(h) offices or employments of profit under any public corporation or local authority, or under any trustees or guardians of any public funds, tolls or duties;

(i) all other public offices or employments of profit of a public nature.

Section 20 Schedule F

(1) The Schedule referred to as Schedule F is as follows:
SCHEDULE F

1. In this Schedule, "**distribution**" has the meaning assigned to it by Chapter 2 of Part 6 and [sections 436, 436A, 437, 816(2)(b) and 817]¹.

2. Income tax under this Schedule shall be chargeable for any year of assessment in respect of all dividends and other distributions in that year of a company resident in the State which are not specially excluded from income

tax, and for the purposes of income tax all such distributions shall be regarded as income however they are to be dealt with in the hands of the recipient.

3. ...²

Amendments

1 Substituted by Finance Act 2011 section 29(a) from 1 January 2011.

2 Para 3 repealed by Finance Act 2000 section 69(2) and Schedule 2 Part 2 in the case of income tax as on and from 6 April 1999, and in the case of corporation tax as respects accounting periods commencing on or after 6 April 1999.

(2) No distribution chargeable under Schedule F shall be chargeable under any other provision of the Income Tax Acts.

CHAPTER 2 Corporation tax

Section 21 The charge to corporation tax and exclusion of income tax and capital gains tax

(1) Corporation tax shall be charged on the profits of companies at the rate of-

- 32 per cent for the financial year 1998,
- 28 per cent for the financial year 1999,
- 24 per cent for the financial year 2000,
- 20 per cent for the financial year 2001,
- 16 per cent for the financial year 2002,
- 12½ per cent for the financial year 2003 and each subsequent financial year.

Amendments

Subs (1) substituted by Finance Act 1999 section 71(1).

(1A)(a) In this subsection-

"**qualifying shipping activities**" and "**qualifying shipping trade**" have the same meanings respectively as in [section 407](#);

(b) Notwithstanding subsection (1), for the financial year 2001 and 2002, in relation to a company carrying on a qualifying shipping trade, profits from qualifying shipping activities carried on in the course of the qualifying shipping trade shall be charged to corporation tax at the rate of 12½ per cent.

[(c) Notwithstanding subsection (1), for the financial year 2002, in relation to a tonnage tax company (within the meaning of Part 24A), tonnage tax profits shall be charged to corporation tax at the rate of 12½ per cent.]¹

Amendments

Subs (1A) inserted by Finance Act 2001 section 82(1)(a) as on and from 1 January 2001.

1 Subs (1A)(c) inserted by Finance Act 2002 section 53(3) from 28 March 2003.

(2) The provisions of the Income Tax Acts relating to the charge of income tax shall not apply to income of a company (not arising to it in a fiduciary or representative capacity) if-

(a) the company is resident in the State, or

(b) the income is, in the case of a company not so resident, within the chargeable profits of the company as defined for the purposes of corporation tax.

(3) Subject to [section 649](#), a company shall not be chargeable to capital gains tax in respect of gains accruing to it so that it is chargeable in respect of them to corporation tax.

Section 21A Higher rate of corporation tax

Amendments

Section 21A inserted by Finance Act 1999 section 73.

(1) In this section-

"**construction operations**" means operations of any of the descriptions referred to in the definition of "construction operations" in [section 530\(1\)](#), other than operations referred to in paragraph (f) of that definition;

"**dealing in or developing land**" shall be construed in accordance with Chapter 1 of Part 22;

"**excepted operations**" means any one or more of the following operations or activities-

[(a) dealing in or developing land, other than such part of that operation or activity as consists of-

(i) construction operations, or

(ii) dealing by a company in land which, in relation to the company, is qualifying land.]¹

(b) working minerals, and

(c) petroleum activities;

"**excepted trade**" means a trade consisting only of trading operations or activities which are excepted operations or, in the case of a trade consisting partly of excepted operations and partly of other operations or activities, the part of the trade consisting only of excepted operations which is treated as a separate trade by virtue of subsection (2);

"**exempt development**" means a development within Class 1 of Part 1 of the Second Schedule to the Local Government Planning and Development Regulations, 1994 (S.I. No. 86 of 1994), which complies with the conditions and limitations specified in column 2 of that Part which relate to that Class;]²