

# STEP 2010

## The ABC of CAT

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# S. 147 FA10

- Revised process re grants
- Secondary accountability removed
- 12 year charge abolished
- Special rules in non-resident cases
- New pay and file rules
- Mandatory e-filing
- New surcharge

# New Process for Grant

- Mid June 2010
- Recent deaths (on/after 5 Dec 01)
- No Revenue certificate
- Direct to the Probate Office
- New IRA x 2
- Fill out in blue pen – no gaps
- Old form & procedure pre 5 Dec 01 death

# New Probate Procedure

- If “w” number apply for new PPS
- Probate Office also gets:
  - Corrective affidavit (CA26)
  - De Bonis Non Grants (A3C)
- Platform being developed for eFiling

# Secondary Liability

- Abolition of secondary liability
- Retrospective after FA10 (3 April 10)
- No certificates of discharge
- Persons liable to CAT
  - Donee/successor
  - Transferee – s. 32(2) CATCA03
  - Personal representative of donee/successor (on notice)

# Secondary Liability

- No longer secondarily liable
  - Donors of gifts
  - Trustees
  - Personal representatives
  - Agents
- 2 exceptions
  - Proceedings issued
  - Non resident cases



# Secondary Liability

- Per rep no longer liable
- No need to pay CAT before distribution
- Estate solicitor no longer filing returns
- Consider preparing a CAT computation
- Queries may be raised later
- Run-up to the 31 October deadline
- Work for estate or beneficiaries

# 12 Year Charge

- 12 year CAT charge abolished
- Exception
  - Applications to PRA
  - Adverse possession
  - Clearance cert
- Retrospective - No charge after FA10
- Unless proceedings instituted
- See FAQ



# Any more Clearance Certs?

CA11/ CA11 Dev	No - PRA
CA24	No
IT8 (joint ac)	Yes
IT10 (small est)	No

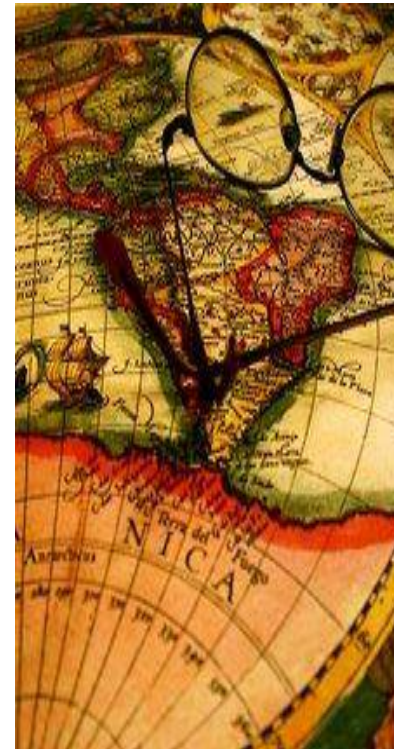
# Non-resident Cases

- Revenue concern re non-payment
- Secondary Liability
  - Per rep is Irish
  - Non-resident beneficiaries
  - Per rep is agent
  - Liable for non-residents' CAT



# Non-resident Cases

- No Irish per rep
- Solicitor-agent S.48 (10)
  - Needed for grant
  - Secondarily liable?
  - For non residents' tax
- Liable to extent of non-residents' benefits
- To extent



# Power of Sale

- Power of sale given
  - Donee/beneficiary
  - Irish resident agent



- *“power..to raise ..tax and..expenses...*
- *by sale mortgage or terminable charge*
- *on the property or any part...*

# Secondary Liability

- Solicitor acting
- 2 non-resident beneficiaries
- Deirdre is per rep
- Estate subject to CAT
- Eoin does not pay CAT
- Irish solicitor holds title deeds
- Deirdre (client) has paid tax

# Secondary Liability

- Authority to appropriate Deirdre's house?
- What if Deirdre objects?
- Shortfall in account for distribution!
- Should come from Eoin
- How can solicitor compel payment?
- Can anyone redistribute Eoin's benefit?
- UK property – UK law applies
- Deirdre is the client - conflict?

# Solicitor-agent Protection

## FAQ

Incorrect information re  
priors

## FAQ

Incorrect information re  
assets

## FAQ

One month notice re  
distribution



# Residence Rules

- 183 days in one year
- 280 days over 2 years
- Ignore 30 days or less
- Cinderella test 08
- Any time of day test 09
- Client may not know rules
- Do not rely on address





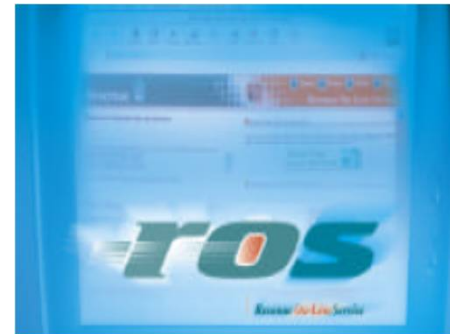
# New Pay & File Regime

- Pay & File date
  - Up to 31 August
  - 31 October
  - 2 months – 14 months gap
  - ROS extension
- Interest from 1 Nov
- Instalment payments
- Refunds - 4 year rule



# Mandatory e-Filing ROS

- New IT38
- From mid June
- Hard copy if no relief
- Apart from SGE
- File with Collector General
- Donee's District deals with CAT



# Mandatory e-Filing ROS

- eFiling
  - Mandatory for relief claim
  - New ROS online IT38
  - Up to 3 benefits
  - ROS extension
  - Agent or Business Certificate



# Surcharge

- New surcharge for late filing
  - 5% up to 2 months
  - Max €12,695
  - 10% after 2 months
  - Max €63,485
- CGT eBrief
- ROS will not add
  - comes on amended NoA



# Surcharge

- Added pressure in run-up to 31 Oct
- Watch date of death valuation date
- Warn clients re filing deadlines
- Beneficiaries filing separately
- Who decides valuation date?
- Who needs to be notified of Grant?
- What if no funds to pay?

# The System in Practice

- Probate Office notify Revenue re Grant
- Revenue send Form IT38 to taxpayer
- Tick the box re no return
- Reminder question on Form 11
- No change re valuation dates



# Assistance from Revenue

The logo for revenue.ie, featuring the text "revenue.ie" in white lowercase letters inside a blue rounded rectangle, which is set against a green background with a subtle pattern of white lines.

- FAQs on website – updated
- eBriefs & Tax Briefing
- District for routine queries
- Note donee/beneficiary's district
- RTS (see Guidelines)
- Technical queries