Irish Tax Institute

Cost of Business Advisory Forum

Reporting & Compliance (incl. Revenue)

Anne Gunnell, *Director of Tax Policy & Representations*

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Who We Are and What We Do

Leading through tax education

- **Our Mission:** *The Irish Tax Institute is a powerful advocate for tax education, the trusted voice on tax policy and administration, and shares its knowledge to promote a sustainable and fair tax system that enables economic growth.*

- Over 6,400 members - Chartered Tax Advisers (CTA)

- Members working in professional service firms, global companies, Government Departments, Revenue, State agencies and international organisations (e.g. European Commission, OECD and IMF)

Reporting and Compliance (including Revenue)

Tax administrative burden is a cost for Irish business and can impact Ireland’s competitiveness

Complex administration and disproportionate penalties can make tax reliefs inaccessible for SMEs

Example 1: Large Company – Y/E 31 December 2025

Compliance Deadlines - June

Employers may also have payment and filing obligations under ERR throughout the month

14 June

Dividend Withholding Tax (DWT)

Return and Payment of DWT for May 2026

19 June

Monthly VAT 3 Return and Payment (if due)

for the period May 2026

23 June

Preliminary Tax (PT1)

50% of prior year **or** 45% of current year

23 June

Employer PAYE/PRSI/USC

Monthly return and payment for May 2026

(Real-time reporting depends on frequency of payroll i.e. weekly, fortnightly or monthly)

23 June

Relevant Contracts Tax (RCT)

Monthly return and payment (if due) for May 2026

23 June

Professional Services Withholding Tax (PSWT)

F30 monthly return and payment for May 2026

30 June

SARP Employer Return Year Ended 31 Dec 2025

30 June

VAT IOSS

Monthly Return and Payment Due for Period May 2026

(B2C import goods)

30 June

Deadline for FATCA and CRS Reporting Obligations for 2025

Example 2: Small Company – Y/E 31 December 2025

Compliance Deadlines - June

Employers may also have payment and filing obligations under ERR throughout the month

14 June

DWT

Return and Payment of DWT for May 2026

19 June

Monthly VAT 3 Return and Payment (if due)

for the period May 2026

23 June

Employer PAYE/PRSI/USC

Monthly return and payment for May 2026

(Real-time reporting depends on frequency of payroll i.e. weekly, fortnightly or monthly)

23 June

RCT

Monthly return and payment (if due) for May 2026

23 June

PSWT

F30 monthly return and payment for May 2026

30 June

SARP Employer Return

Year Ended 31 Dec 2025

30 June

VAT IOSS

Monthly Return and Payment Due for Period May 2026

(B2C import goods)

30 June

Close Company Surcharges

Latest date for payment of dividends for the period ended 31 December 2024

Example 3: Large Company – Y/E 31 December 2025

Compliance Deadlines - September

Employers may also have payment and filing obligations under ERR throughout the month

14 Sept

DWT

Return and Payment of DWT for August 2026

19 Sept

VAT 3 Return and Payment (if due)

Monthly for August or Bi-Monthly for July/August

23 Sept

Corporation Tax Return - Form CT1

(and any balancing payment due for 2025)

23 Sept

Employer PAYE/PRSI/USC

Monthly return and payment for August 2026

(Real-time reporting depends on frequency of payroll i.e. weekly, fortnightly or monthly)

23 Sept

RCT

Monthly return and payment (if due) for August 2026

23 Sept

PSWT

F30 monthly return and payment for August 2026

30 Sept

VAT IOSS

Monthly Return and Payment Due for August 2026

(B2C import goods)

30 Sept

Deadline for EU cross-border VAT repayment claims for 2025

30 Sept

Form 46G

Return of 3rd party information for year ended 31 Dec 2025

Example 4: Small Company – Y/E 31 December 2025

Compliance Deadlines - September

Employers may also have payment and filing obligations under ERR throughout the month

14 Sept

DWT

Return and Payment of DWT for August 2026

19 Sept

VAT 3 Return and Payment (if due)

Monthly for August or bi-monthly for July/August, or quarterly for May-August 2026

23 September

Corporation Tax Return - Form CT1

(and any balancing payment for 2025)

23 Sept

Employer PAYE/PRSI/USC

Monthly return and payment for August 2026

(Real-time reporting depends on frequency of payroll i.e. weekly, fortnightly or monthly)

23 Sept

RCT

Monthly return and payment (if due) for August 2026

23 Sept

PSWT

F30 monthly return and payment for August 2026

30 Sept

VAT IOSS

Monthly Return and Payment Due for Period August 2026

(B2C import goods)

30 Sept

Form 46G

Return of 3rd party information for year ended 31 Dec 2025

30 Sept

Close Company Surcharges

Latest date for payment of dividends for the period ended 31 December 2024

Areas where action needed to reduce costs for businesses complying with tax obligations

Enhanced Reporting Requirements (ERR)

Complex Tax Legislation and Administration

Proportionate Sanctions for Administrative Errors

Enhanced Reporting Requirements (ERR)

- From 1 January 2024 employers must report details of non-taxable small benefits, remote working daily allowance and travel and subsistence expenses in real-time
- Real-time nature of reporting imposes substantial administrative burden on businesses
- Finance Act 2024 amendments to Small Benefit Exemption addressed some difficulties in reporting benefits under ERR
- Revenue’s recent updated guidance on provision of staff meals welcome but limited
- Employers report reluctance to reward staff with small tokens of appreciation
- Knock-on impact of ERR on small, local businesses and restaurants contrasts with Budget 2026 measures to support restaurants and businesses
- A fixed penalty of €4,000 for failing to report in real-time is disproportionate and should be replaced with a more appropriate sanction

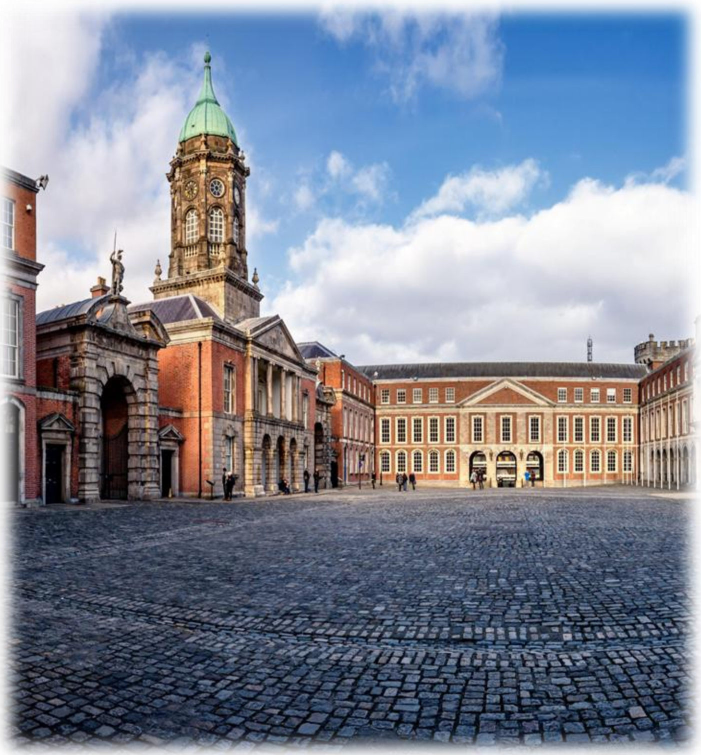
Enhanced Reporting Requirements (ERR) - Proposals

Reduce the compliance burden on businesses

Amend rules to allow data be reported after the month end and apply proportionate penalties

Revenue continues to receive information in a timely manner

Complex Tax Legislation and Administration



Significant Administrative Burden and Complexity for SMEs

- “Think Small First” principle and the SME Test should apply to tax legislation, tax forms and Revenue guidance

Compliance Risks and Consequences

- Corporation Tax Return (Form CT1) increasingly complex (over 60 pages) and the RICT form is error-prone, causing compliance challenges for businesses
- Administrative errors can result in loss of reliefs, interest charges, and the 4-year time limit not applying even though taxpayer has made every effort to comply

Access Barriers to Tax Reliefs/Schemes

- Complex legislation and reporting requirements can make support measures like the R&D Tax Credit and Employment Investment Incentive (EII) inaccessible for SMEs

Costly Tax Appeals Process

- No option for Alternative Dispute Resolution (ADR) mechanism
- Significant cost for taxpayer to appeal a Revenue Assessment before Tax Appeals Commission and move to public hearings likely to lead to increased costs
- More taxpayers will decide to pay a tax liability they consider incorrectly assessed, rather than proceed with a public hearing

R&D Tax Credit

- Welcome Revenue's efforts to raise awareness of common errors by taxpayers in completing R&D Panels in the Form CT1
- Frequency and commonality of errors in R&D Tax Credit claims highlights need to simplify Form CT1
- Other proposals to increase access and reduce compliance burden are:

1. Introduce a pre-approval process for first time R&D Tax Credit claims by small/micro companies
2. Provide SME-friendly guidance, with step-by-step instructions on the claims process and practical studies
3. Simplify Revenue guidance on overhead costs

Employment Investment Incentive (EII)

- Effectiveness of EII is hampered by complex rules (including GBER) and administration

Difficulties with EII	Proposed Solutions
Exclusion of holding company structures	Include holding company structures in the scheme
Connected party rules curtail investment by non-executive board members and key employees	Amend connected party rules
Onerous administration and time consuming	Introduce a streamlined process that uses non-mandatory template forms
Form RICT is macro enabled and prone to technological errors	Redevelop the Form RICT

Proportionate Sanctions For Administrative Errors

Disproportionate Penalties

- Recognise role of penalties in encouraging compliance
- But some penalties impose harsh consequences for administrative errors

Increased Administrative Costs

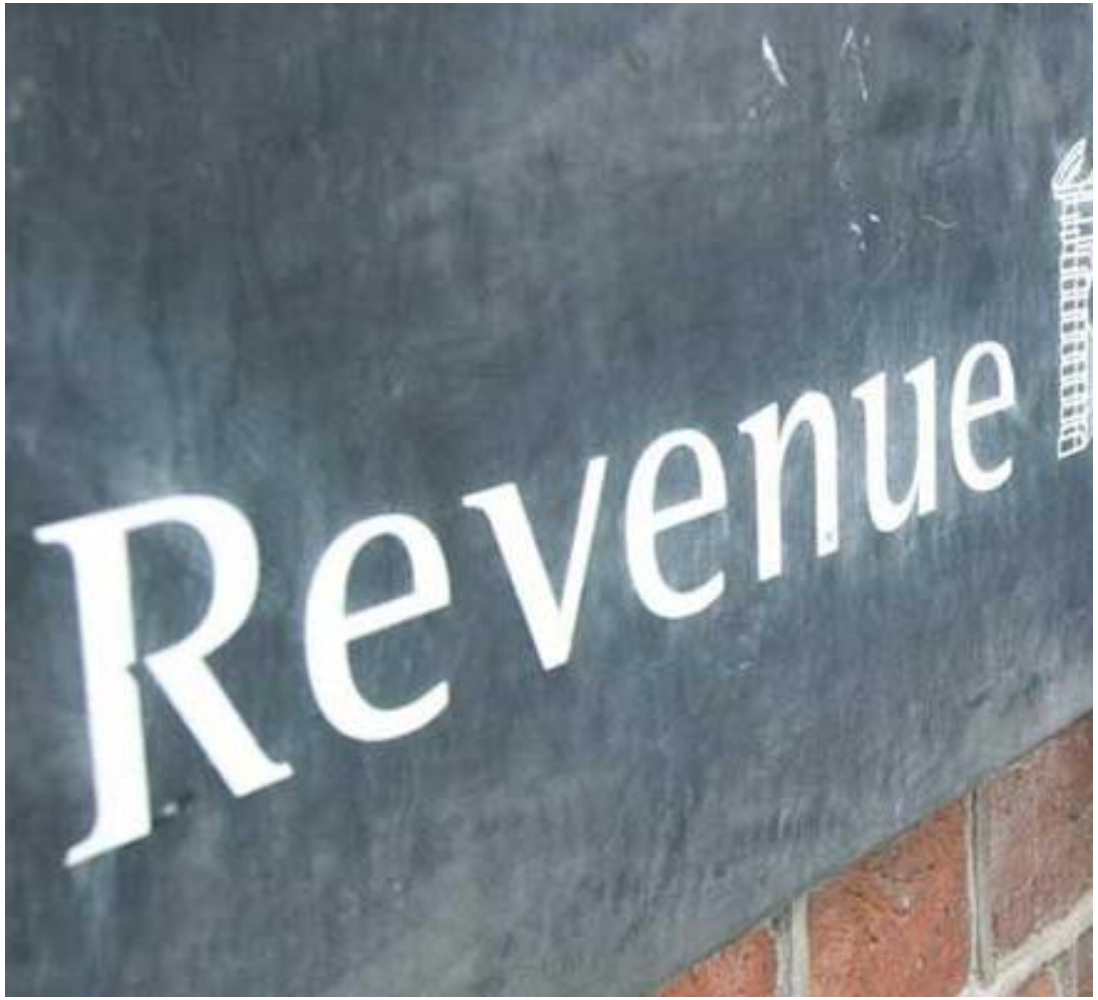
- Severe sanctions lead to costly appeals for taxpayers and tax authorities

Impact on Reliefs and Supports

- Fear of penalties can reduce participation in tax reliefs

Need for Balanced Approach

- A fair penalty regime encourages compliance and cooperation and reduces the cost for businesses



Employment Investment Incentive (EII)

Delays in certification

Delays in the reporting process

Full clawback of the relief on the fundraising company

Administrative errors

- Full clawback of relief on the company is disproportionate to the error

- Can act as a disincentive for companies to avail of EII

More proportionate sanction

Impose a monetary penalty for an administrative error or late filing of a return

Key Employment Engagement Programme (KEEP)

- Do not qualify as KEEP options if grant below MV
- No income tax, USC and PRSI exemption on exercise of options
- Instead of full denial, impose a more proportionate sanction for valuation errors
- Impose income tax on difference between MV and option price at time of grant

iXBRL Financial Statements

Impact of 10% Late Filing Surcharge

- 10% surcharge penalises compliant taxpayers for filing delays often beyond their control
- Surcharge applies regardless of the actual impact on reported figures

Propose Fixed Penalty Alternative

- Fixed penalty (rather than tax-geared) would be a more proportionate sanction and support compliance

Case Example: Interest on an underpayment of preliminary tax

31 Dec 2024	Preliminary Tax paid in 2024 €10 million
23 June 2025	Preliminary Tax (PT1) relating to 2025 est. €2 million
23 Sep 2025	Return Form CT1 2024 filed Final liability €5 million
23 Nov 2025	Preliminary Tax (PT2) relating to 2025 est. €2 million
23 Dec 2025	iXBRL Financial Statements for y/e 31 December 2024 filed

- Overpayment of €5 million when Form CT1 2024 is filed on 23 September 2025
- Revenue asked to re-allocate €3m refund from 2024 to 2025: First against PT1 due 23 June 2025 and balance of €2m against PT2 due 23 Nov 2025
- Interest charged on underpayment of PT for 2025 despite sufficient overpayment in 2024 held on account by Revenue to fully discharge 2025 PT liability
- Revenue deems Co cannot make a valid claim to offset overpaid 2024 CT against its 2025 PT until 2024 tax return and iXBRL financial statements are filed despite filing deadline after PT payment date?

Thank You