



February 2017 eNews

CHANGES TO SECTION 86 (Dwelling House Exemption)

The Capital Acquisitions Tax and Duty Manual has been updated to include a Part 24, on the dwelling house exemption, to reflect changes to section 86 CATCA 2003 introduced by section 52 of Finance Act 2016.

The changes have two principal effects.

Firstly, the **dwelling house exemption will now only be available for inheritances**. With one exception, it will **no longer be possible to receive a tax-free gift of a dwelling house**. The exception will be where a person gifts a dwelling house to a dependent relative. For this purpose, a dependent relative is a direct relative of the donor, or of the donor's spouse or civil partner, who is permanently and totally incapacitated because of physical or mental infirmity from maintaining himself or herself or who is over the age of 65.



Secondly, **the inherited dwelling house must have been the deceased person's principal private residence at the date of his or her death**. This requirement will be relaxed in situations where the deceased person had to leave the house before the date of death because of ill health; for example, to live in a nursing home.

These changes will apply to inheritances of dwelling houses or gifts of dwelling houses to dependent relatives on or after 25 December 2016

MANDATORY E-FILING OF CERTAIN SUBMISSIONS TO BE INTRODUCED



From the 1st of June 2017, mandatory electronic filing will apply to the following four submissions forms:

- B1 Form - Annual Return (including financial statements and electronic payment);
- B2 Form - Change of registered office;
- B10 Form - Change of director and/or secretary, or in their particulars, and
- B73 Form - Nomination of a new annual return date.

As every company is obliged to file a B1 every year, it is imperative that any company, whose Annual Return Date (ARD) is after the 31 May 2017, familiarises themselves with the online process ahead of their ARD.

MANAGEMENT ACCOUNTS

What Keeps You Awake At Night?

The most common answer is, NOT KNOWING WHERE YOU STAND with respect to your business and finances.

If you're not getting reliable information on a regular basis in a format that you can understand, we can help! We are experts at developing accounting systems and reports.



We can also help you develop an annual budget and show you how you're doing every month against your targets.

Alternately, we can prepare management accounts for you, accurately and promptly, and offer you an outsider's view on your performance.

Management accounts are a set of financial statements prepared periodically e.g. monthly or quarterly. Unlike statutory year-end financial statements, management accounts are not a legal requirement, but their importance cannot be underestimated.

They typically include a profit and loss account, balance sheet, **key performance indicators** (KPI'S) and a short report. Management accounts provide you with a true reflection of where your business is at and reveal all areas that can be improved.

There are many benefits of regularly preparing management accounting including:

- supports timely, informed decision-making;
- improves business cash flow;
- uncovers business risks;
- identifies tax planning opportunities, and
- reduces year-end accountancy costs.

Please remember that we are here to help and support you at all times.

INCOME TAX REFUNDS

If you are due a refund of tax for 2016, why not submit your return now and avail of an early tax refund?



Remember that tax relief can be claimed on such items as medical expenses, pension top-ups, tuition fees, Home Renovation Incentive (HRI) scheme, etc.

TAXATION PAY & FILE SUMMARY



PAYE

P30 for January 2016

14 February 2017

P35 for 2016

15 February 2017

VAT

Bi-Monthly and 4 monthly ending in February 2017, return and payment

19 March 2017

Relevant Payments Tax

Monthly return and payment

23 February 2017

Corporation Tax

Filing date for Corporation Tax returns for accounting periods ending in 31 May 2016

21 February 2017

Payment of Corporation Tax balance for accounting periods ending in 31 May 2016

21 February 2017

Preliminary Tax for accounting periods ending in 31 March 2017

21 February 2017

Form 46G for accounting periods ending in 31 May 2016

28 February 2017

Note: *Extended date for certain taxes for customers who both file and pay electronically (via ROS)*

Don't hesitate to contact me or a member of our team if you would like to discuss any of the issues raised or on any of our services.



Johnny

John J. McElhinney | Partner

This newswire is intended to provide a general guide to the subject matter and is necessarily prepared in a condensed form. Advice should be sought before acting on the information contained in it.