

GOING TO WORK ABROAD?

A guide to Irish income tax liability based on some commonly asked questions

Prepared by Residence Section
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Chapter 1

Introduction

1.1. What is the purpose of this leaflet?

The purpose of this leaflet is to answer some of the income tax questions commonly asked by Irish individuals going to work abroad. It deals mainly with the tax treatment of employment income and does not get involved with other sources of income to any great extent. While every effort has been made to ensure the accuracy of the information contained in this leaflet it is not a legal document and responsibility cannot be accepted for any liability incurred or loss suffered as a consequence of relying on the information it contains.

As the tax treatment of your employment income will depend on your residence status, **chapter 2** will help you to determine whether you are **resident** or **non-resident** for Irish tax purposes in any particular tax year while you are abroad.

Having established your residence position you can then refer to **chapter 3** for those questions which a resident individual going abroad on a temporary basis might have or you can refer to **chapter 4** for those questions which an individual going abroad on a long term or permanent basis might have.

It is assumed for the purpose of this leaflet that you are both ordinarily resident and domiciled in Ireland at the time you leave to go abroad. The meaning of '**ordinary residence**' and '**domicile**' for taxation purposes is also explained in chapter 2.

1.2. If all my questions are not answered in this leaflet where can I get further information?

Should you require information of a general tax nature please contact your local tax office (addresses and telephone numbers for which are listed at Appendix B). Additional information leaflets are available on Revenue's web site at www.revenue.ie/leaflets.htm or from our Forms & Leaflets service, Tel. (01) 8780100.

Chapter 2

Explanation of the terms “Residence”, “Ordinary Residence” and “Domicile”

2.1. What is a tax year?

With effect from 1 January 2002 and for subsequent years the Irish tax system will change to a calendar year of assessment i.e. the tax year will run from 1 January to the following 31 December. Previously, up to 5 April 2001, the tax year ran from 6 April to the following 5 April. To facilitate this changeover it was necessary to have a short tax “year” beginning on 6 April 2001 and ending on 31 December 2001.

2.2. How do I know if I am resident in Ireland for a tax year?

Your **residence** status for Irish tax purposes is determined by the number of days you are present in Ireland during a given tax year. You will therefore be **resident** in Ireland for a particular tax year in **either** of the following circumstances (*but see question 2.3 for special arrangements for residence purposes applying in the short tax “year” ending 31 December 2001 and for the following tax year ending 31 December 2002*):

- ▶ if you spend 183 days or more in Ireland for any purpose in the tax year in question;
or
- ▶ if you spend 280 days or more in Ireland for any purpose over a period of two consecutive tax years you will be regarded as resident in Ireland for the second tax year. For example, if you spend 140 days here in year 1 and 150 days here in year 2 you will be resident in Ireland for year 2.
(However, you can spend up to 30 days in total in Ireland in either tax year and this test will not apply to make you resident even though the combined total of days spent in Ireland over the two tax years may be 280 or more. For example, if you spend 365 days in Ireland in year 1 and only 14 days here in year 2, thereby giving a combined total presence of 379 days, you will not be regarded as resident for year 2 under this test.)

A ‘day’ for residence purposes is one on which you are present in Ireland at midnight.

2.3. What are the special arrangements for residence purposes which will apply for the short tax “year” ending 31 December 2001 and for the following calendar year of assessment ending 31 December 2002?

The residence tests for the short tax “year” ending 31 December 2001 are as follows.

You will be regarded as resident in Ireland in the short tax “year” of assessment 2001 if you spend: -

- ▶ **135 days** or more in Ireland, for any purpose, between 6 April 2001 and 31 December 2001;

Or

- ▶ **244 days** or more in Ireland combining the number of days spent in Ireland in that “year” (6 April 2001 to 31 December 2001) together with the number of days spent in Ireland in the preceding tax year 2000/2001 (6 April 2000 to 5 April 2001). However, this test will not apply to make you resident if you spend **22 days** or less here in the short “year” of assessment (6 April 2001 to 31 December 2001) or **30 days** or less here in the 2000/2001 tax year.

The residence tests for the calendar year of assessment ending 31 December 2002 are as follows.

You will be regarded as resident in Ireland in the year of assessment 2002 if you spend: -

- ▶ **183 days** or more in Ireland, for any purpose, between 1 January 2002 and 31 December 2002;

Or

- ▶ **244 days** or more in Ireland combining the number of days spent in Ireland in that year (1 January 2002 to 31 December 2002) together with the number of days spent in Ireland in the preceding short tax “year” of assessment 2001 (6 April 2001 to 31 December 2001). However, this test will not apply to make you resident if you spend **30 days** or less here in the year of assessment 2002 or if you spend **22 days** or less here in the short “year” of assessment 2001.

2.4. What is Ordinary Residence?

The term **ordinary residence** as distinct from **residence** refers to an individual’s pattern of residence over a number of tax years. If you have been resident in Ireland (see 2.2. and 2.3. above) for three consecutive tax years you are regarded as ordinarily resident from the beginning of the fourth tax year. Conversely, you will cease to be ordinarily resident in Ireland having been non resident for three consecutive tax years. With the exception of certain types of income (see third row of the table in question 2.6), an individual who is non resident for a particular tax year but who is ordinarily resident is effectively regarded as being resident for that year.

2.5. What Is Domicile?

Domicile is a concept of general law. It may be broadly interpreted as meaning residence in a particular country with the intention of residing permanently in that country. Every individual acquires a domicile of origin at birth. An Irish domicile of origin will remain with an individual until such time as a new domicile of choice is acquired. However before that domicile of origin can be shed there has to be clear evidence that the individual has demonstrated a positive intention of permanent residence in the new country and has abandoned the idea of ever returning to live in Ireland. An individual’s domicile status can influence the extent to which foreign sourced income is taxable in Ireland (please see the

table in the following question). If you consider that you are non domiciled in Ireland and you require further information regarding your tax treatment please contact Residence Section.

2.6. How do the concepts of residence, ordinary residence and domicile affect my tax treatment?

The following table outlines how certain combinations of the above concepts influence the extent of your liability to Irish income tax.

Your residence, ordinary residence and domicile status.	Extent of your liability to Irish tax (see note 1).
Resident, ordinarily resident and Irish domiciled.	Taxable on all Irish and foreign sourced income in full.
Not resident, ordinarily resident and Irish domiciled.	Taxable on all Irish and foreign sourced income in full. However income from the following sources is exempt from tax: <ul style="list-style-type: none"> • income from a trade, profession, office or employment, all the duties of which are exercised outside Ireland (but see question 4.2); and • other foreign income, e.g. investment income, provided that it does not exceed €3,810 in the tax year in which it is earned (£2,220 for the short tax “year” ending 31 December 2001).
Not resident, ordinarily resident and not Irish domiciled.	Taxable on Irish sourced income in full and taxable on remittances of foreign sourced income (see note 2). However income from the following sources is exempt from tax: <ul style="list-style-type: none"> • income from a trade, profession, office or employment, all the duties of which are exercised outside Ireland (but see question 4.2); and • other foreign income, e.g. investment income, provided that it does not exceed €3,810 in the tax year in which it is earned (£2,220 for the short tax “year” ending 31 December 2001).
Resident and ordinarily resident but not Irish domiciled	Taxable on Irish sourced income in full and taxable on remittances of foreign sourced income, (see note 2).
Resident and domiciled but not ordinarily resident	Taxable on Irish sourced income in full and taxable on remittances of foreign sourced income, (see note 2).
Not resident, not ordinarily resident and not Irish domiciled.	Taxable on Irish sourced income in full (but see question 4.1) and taxable on foreign sourced income in respect of a trade, profession or employment exercised in Ireland, (see note 2).

Note 1. While the above table outlines your income tax treatment under Irish domestic legislation, you should be aware that the provisions of a **double taxation agreement** will generally take precedence over domestic legislative provisions and may result in a different tax treatment in certain circumstances.

Note 2. The remittance basis of assessment applies to foreign sourced income (excluding UK sourced income). It provides that for any tax year during which you are not Irish domiciled, or if you are an Irish citizen who is not ordinarily resident in Ireland, you will only be taxable to the extent that you bring that income into Ireland.

Chapter 3

Going to work abroad temporarily and remaining resident for Irish tax purposes.

3.1. I am going to work abroad but will remain resident for Irish tax purposes. How will my employment income be treated?

For any tax year that you are resident you will be liable to Irish income tax on your total income from all sources including any income from a foreign employment.

3.2. Will I be entitled to full tax credits?

As you are resident for tax purposes you will be entitled to full tax credits as set out in the explanatory leaflet No. IT.1 which is available from any tax office or from the Revenue website www.revenue.ie/leaflets.htm.

3.3. What happens if my income is also taxable abroad?

If tax is charged in a country with which Ireland has a double taxation agreement you will be given relief as specified in the relevant *agreement*. This is normally provided by either **exempting** the income from tax in one of the countries or by **crediting** the foreign tax paid against your Irish tax liability on the same income. If you are going to a country with which Ireland does not have a *double taxation agreement* you will be liable to Irish tax on your foreign income net of foreign tax paid. (Please see Appendix A for a list of those countries with which Ireland currently has *double taxation agreements*.)

3.4. Am I entitled to any additional allowances/reliefs as an Irish resident working abroad?

Yes, for any tax year that you are resident in Ireland, you may be entitled to **one** of the following additional reliefs:

- ▶ **Foreign Earnings Deduction**
Please see questions 3.5 to 3.11;
or
- ▶ **Trans-Border Workers Relief**
Please see questions 3.12 to 3.15;
or
- ▶ **Seafarers Additional Allowance**
Please see questions 3.16 to 3.18.

FOREIGN EARNINGS DEDUCTION

3.5. What is the foreign earnings deduction?

This is a relief available to “resident” individuals. It provides for a deduction, from the income of an employment which is exercised abroad, subject to a maximum claim of €31,750 in any tax year (*for the short “year” of assessment ending 31 December 2001, the maximum deduction is reduced to £18,500*). It is calculated by reference to the time spent working abroad. It is available as an alternative to the *trans-border workers relief* and the *seafarers allowance* described in the following paragraphs. Days spent working in the UK or days spent working in another country on behalf of a UK employer are **not** counted as qualifying days for the purpose of the relief. This relief will no longer apply after 31 December 2003.

3.6. How do I qualify for the foreign earnings deduction?

To qualify for the foreign earnings deduction the income must not have benefited from *split year treatment* (see questions 4.3 and 4.8) or the remittance basis of assessment (see note 2 at question 2.6) and each of the following conditions needs to be satisfied:

- ▶ those days spent abroad must be part of a continuous absence of 11 days or more and be substantially devoted to the performance of the duties of your employment, and
- ▶ the period you spend abroad must amount to 90 days or more in the tax year in question (*67 days or more for the short tax “year” ending 31 December 2001*) **or** 90 days or more over a continuous period of 12 months straddling two tax years.

3.7. What is a day for the purpose of this relief?

A ‘day’ is one on which an individual is not present in Ireland during any part of that day (i.e. from midnight to midnight). Prior to 26 January 2001 the day of an individual’s departure from Ireland was concessionally counted as a qualifying day even though the individual would have been present in Ireland for part of that day. This treatment applied on the basis that the day of departure would have been followed by a period of at least 10 days continuous absence. With effect from 26 January 2001 this concessional treatment no longer applies and the individual must be absent from Ireland for the entire day in order for it to be counted as a qualifying day.

3.8. Who can avail of the foreign earnings deduction?

It is available to all employees and to directors of companies who carry on a trade or profession, **excluding**:

- ▶ employees paid out of the public revenue of the State, e.g. civil servants, Gardai and members of the Defence Forces, and
- ▶ employees of a board, authority or other similar body established by or under statute.

3.9. How is the foreign earnings deduction calculated?

To calculate the deduction, firstly add together the number of days you have spent abroad exercising the duties of an employment, ignoring any period which amounts to less than 11 consecutive days. These days, which must amount to at least 90 (67 for the short tax “year” ending 31 December 2001), are known as qualifying days. The total number of days is then divided by 365 (270 for the short tax “year” ending 31 December 2001) to give a fraction which is multiplied by your income* from any employment in the year. The result of this calculation is known as the **specified amount**. If you have more than one foreign employment with qualifying days separate calculations are required in respect of each employment and the deduction (specified amount) cannot exceed the income from any of those employments.

** Income for the purposes of calculating the deduction is to be net of superannuation contributions and exclusive of any benefits-in-kind, severance payments, preferential loans, amounts in respect of restrictive covenants and amounts arising from the exercise of share options.*

The following examples illustrate how the deduction is calculated. Under the tax credit system which operates from 6 April 2001, tax is calculated at the appropriate rates on gross pay less the foreign earnings deduction, superannuation contributions and contributions to a **Revenue approved** Permanent Health Scheme to arrive at gross tax. Gross tax is then reduced by the tax credits to arrive at net tax payable, (please see leaflet IT.1).

Example 1 - (All periods are spent abroad working for one employer and are in the same tax year)

*John, a single individual who is **resident** spent two separate 40 day periods working in France. He also spent one 35 day period working in Germany and a period of 60 days working in the UK. His total employment earnings for the year amounts to €90,000. The 60 days spent working in the UK are ignored in calculating the qualifying days but the income from the employment exercised in the UK is included in the employment earnings.*

$$\frac{(40+40+35) \times €90,000}{365}$$

Specified amount = €28,356.16

Total employment earnings	€90,000.00
Less deduction	<u>€28,356.16</u>
Taxable Income	€61,643.84

Example 2 – (There is only one employer and the periods spent abroad straddle two tax years)

Anne, a single individual earning €90,000 per annum worked abroad for a period exceeding 90 days spread over two consecutive years. She spent 40 days working in France and 35 days working in Germany during the first tax year. She spent another 40 days working in Italy during the next tax year. While all of the periods fell within a continuous period of 12 months, the total days in one or both of the tax years is less than 90. In such cases the deduction is apportioned between the two tax years and is calculated as follows.

Year 1 calculation: $(40+35) \times \text{€90,000 (Year 1 income)}$

365

Specified amount = €18,493.15

Year 2 calculation: $40 \times \text{€90,000 (Year 2 income)}$

365

Specified amount = €9,863.01

Example 3 – (All periods are spent working abroad in the same tax year but for two different employers and the specified amount for one of the employments exceeds the amount of income earned from that employment)

Mary spent 50 days working in France for Company A early in a tax year. Having changed employment in June, Mary subsequently spent 80 days working in Austria for Company B. Her foreign earnings for the year are:

Salary from Company A	€6,000
Salary from Company B	<u>€60,000</u>
Total salary	€66,000

The foreign earnings deduction is calculated as follows:

Employment with Company A $50 \times \text{€66,000}$

365

Specified amount = €9,041.09

Employment with Company B $80 \times \text{€66,000}$

365

Specified amount = €14,465.75

As the **specified amount** in respect of the employment with Company A results in an amount that exceeds the income from that employment, the deduction is limited to the amount of the income i.e. €6,000. The total deduction for the year is therefore €20,465.75.

Example 4 – (the deduction is restricted to €31,750)

Peter spent 122 days working in the United States. His employment earnings for the year amounted to €100,000. The foreign earnings deduction is calculated as follows.

$$\frac{122 \times €100,000}{365}$$

365

$$\text{Specified amount} = €33,424.65$$

*As the **specified amount** exceeds the limit which can be claimed in any one tax year **the claim is restricted to €31,750.***

3.10. Can an individual who is employed as a seafarer qualify for the deduction?

Yes, provided that the conditions outlined at question 3.6 are satisfied a seafarer can avail of the foreign earnings deduction. Additionally, for the purposes of arriving at his/her total number of qualifying days, a seafarer can count those days spent on board a sea-going ship in a United Kingdom port which are part of an international voyage to or from a port outside Ireland or the United Kingdom. A sea-going ship for this purpose means a ship, other than a fishing vessel, which is registered in the shipping register of a European Member State and is used solely for the purposes of carrying passengers or cargo for reward. As an alternative to claiming the foreign earnings deduction a seafarer can avail of the special seafarers allowance (see questions 3.16 to 3.18).

3.11. How and when do I claim the deduction?

The deduction is claimed at the end of the tax year when making your annual return of income for that year. When making a claim you should also include the following:

- ▶ a statement from your employer indicating your dates of departure from and return to Ireland and the location at which the duties of the employment were exercised while abroad; and
- ▶ tax form P.60 (certificate of earnings and tax deducted) if you were working for an Irish employer.

TRANS-BORDER WORKERS RELIEF**3.12. What is the trans-border workers relief?**

This arrangement is designed to give income tax relief to individuals who are resident in Ireland but who commute daily or weekly to their place of work abroad and who pay tax in the other country on the income from that employment. Subject to meeting the conditions outlined at question 3.13 an individual can have his/her income tax liability for a particular tax year reduced to what is known as the **specified amount**. In simple terms, the effect of this relieving measure is that Irish tax will only arise where the individual has other income

separate to the income from the foreign employment (*qualifying employment*) and will ensure that he/she will not pay any additional tax on employment income which is taxed abroad. The relief is available as an alternative to the foreign earnings deduction and the seafarers allowance.

3.13. How do I qualify for Trans-Border Workers relief?

To qualify for the relief the income must not have benefited from split year treatment (see questions 4.3 and 4.8), the remittance basis of assessment (see note 2 at question 2.6) or have been paid by a company to one of its proprietary directors or to the spouse of one of its proprietary directors and each of the following conditions needs to be satisfied:

- ▶ the duties of the employment must be exercised wholly in a country with which Ireland has a double taxation agreement. (*Please see Appendix A for a list of those countries with which Ireland currently has double taxation agreements*). In determining whether the duties of a qualifying employment are performed wholly in the other country, any duties performed in Ireland which are merely incidental to the performance of the duties abroad will be regarded as having been performed in the other country. Normally any number of days up to a maximum of 30 in a tax year will be regarded as incidental days;
- ▶ the office or employment must be held for a continuous period of at least 13 weeks in the tax year (for the short “year” of assessment ending on 31 December 2001, the qualifying office or employment must be held for a continuous period of not less than 10 weeks);
- ▶ the income from that employment must be subject to tax in the other country and must not be exempt or relieved from tax in that country;
- ▶ the foreign tax due on the income must have actually been paid to the relevant authorities and must not be repaid or be eligible to be repaid; and
- ▶ for every week during which an individual works abroad he or she must be present in Ireland for at least one day in that week (As is the case for the rules of residence, an individual is regarded as being present in Ireland for a day if he/she is present in the country at midnight).

3.14. How is the relief (specified amount) arrived at?

- ▶ Calculate the income tax which would be payable for a tax year under normal rules (please see leaflet IT.1), excluding credit for any foreign tax paid; and
- ▶ Reduce this amount in the proportion which your total income (excluding the income from the qualifying employment) bears to total income (including the income from the foreign employment). This can best be expressed by way of the following formula:

$$\frac{\text{Total tax liability under normal Irish rules}}{\text{Total Income}} \times \frac{\text{Total income excluding income from the qualifying foreign employment}}{\text{Total Income}}$$

Please see the following examples.

EXAMPLE 1

Peter is a single person resident in Ireland for the 2002 tax year. He is employed in Northern Ireland and will have earned the equivalent of €60,000 by the end of the year. He will also have earned €20,000 in rental income in the year.

(a) Calculate income tax liability under normal rules:**Income**

Foreign employment income	€60,000
Irish rental income	<u>€20,000</u>
Total Income	€80,000

Tax

28,000 @ 20%	€5,600
52,000 @ 42%	<u>€21,840</u>
Gross tax	€27,440

Less tax credits

Single person credit	€1,520
Employee credit	<u>€660</u>
Total tax credits	€2,180

Net tax	(€27,440 - €2,180)	€25,260
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(b) Calculate the specified amount:

$$\frac{€25,260 \times €20,000}{€80,000}$$

$$= €6,315 \text{ tax payable}$$

(If there was no rental income the specified amount would be zero)

EXAMPLE 2

Tom and Patricia are a married couple resident in Ireland for the 2002 tax year. Tom is employed in Northern Ireland and will have earned the equivalent of €50,000 by the end of the year. Patricia is employed in Ireland and will have earned €25,000 by the end of the year.

(a) Calculate income tax liability under normal rules:**Income**

Tom's income from his foreign employment	€50,000
Patricia's income from her Irish employment	<u>€25,000</u>
Total Income	€75,000

Tax

€56,000 @ 20%	€11,200
€19,000 @ 42%	<u>€7,980</u>
Gross tax	€19,180

Less tax credits

Married person credit	€3,040
Employee credit	<u>€1,320</u>
Total credits	€4,360

Net tax	(€19,180 - €4,360)	€14,820
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(b) Calculate the specified amount:

$$\frac{€14,820 \times €25,000}{€75,000}$$

$$= €4,940 \text{ tax payable}$$

3.15. How and when do I claim the relief?

As the income from the foreign employment remains assessable to Irish tax the relief can be claimed at the end of the tax year when making your annual return of income. You should also include evidence of foreign tax paid with your claim.

SEAFARERS ADDITIONAL TAX DEDUCTION

3.16. What is this relief?

This is an amount which an individual can deduct against his/her seafaring earnings when calculating his/her taxable income. The amount of the deduction is currently €6,350 (for the short tax “year” ending 31 December 2001, the amount of relief is limited to £3,700) and is available as an alternative to either the *foreign earnings deduction* or the *trans-border workers relief* mentioned in the previous paragraphs. It cannot be set against any other income of the individual or against the income of his or her spouse. It is additional to the normal allowances outlined in leaflet IT.1. It does not however apply to public sector employees.

3.17. How do I qualify for the deduction?

To qualify for the deduction the income must not have benefited from *split year treatment* (see questions 4.3 and 4.8) or the remittance basis of assessment (see note 2 at question 2.6) and each of the following conditions needs to be satisfied:

- ▶ you must be absent from Ireland for at least 169* days in the tax year (for the short tax “year” ending 31 December 2001 you must be absent from Ireland for at least 125* days) for the purposes of performing the duties of the employment (*to be absent from Ireland for a day means not being present in the country at midnight of that day*);
- ▶ the employment must be performed wholly on board a sea-going ship in the course of an international voyage. A sea going ship for this purpose means a ship, other than a fishing vessel, which is registered in the shipping register of a European Member State and is used solely for the purposes of carrying passengers or cargo for reward, and
- ▶ the voyage must begin or end in a port outside Ireland. A rig or a platform situated in **any** maritime area is regarded as a port outside Ireland for the purposes of the relief.

* Section 30, Finance Act, 2001 provides that the Minister may by order reduce the minimum absence requirement from 125 days and 169 days to 119 days and 161 days respectively. At the time of going to print such an order has not been made.

3.18. How and when do I claim the deduction?

A claim is made at the end of the tax year to your local tax office when making your annual return of income. You should also include a statement from your employer giving details of the voyage(s) and the number of days, with dates, you were absent from Ireland.

Chapter 4

Going to work abroad on a long term or permanent basis and becoming non-resident for Irish tax purposes.

4.1. If I am non resident for a particular tax year, how is my employment income treated for Irish tax purposes?

For any tax year during which you are non resident your employment income will be exempt from Irish tax provided that all the duties of your employment, are exercised abroad. The income of Government employees e.g. civil servants, Gardai and members of the Defence Forces, will however remain chargeable to Irish tax regardless of their residence status or where the duties of their employment are exercised.

4.2. I will be working abroad for an Irish employer who will need me to return to Ireland from time to time. How will these return visits affect my tax treatment?

If an inconsequential number of days are spent working in Ireland and are merely incidental to your foreign duties of employment those days will not affect your exemption from Irish tax. Normally any number of days up to a maximum of 30 in a tax year will be regarded as incidental days.

4.3. I am being posted to work abroad by my Irish employer. How will my employment income be treated for tax purposes in the year that I leave?

If you are resident during the tax year you leave and you will be non resident for the following tax year you will be deemed to be non resident from the date of your departure. This means that your employment income will be exempt from Irish tax from that date. In order to avail of this arrangement (*known as split year treatment*) it is necessary that you satisfy your local tax office of your intention **not** to be resident in Ireland for the tax year following your departure. In this regard a statement from your employer or a copy of your contract of employment indicating the length of time you intend to spend working abroad should be submitted in support of your claim. The tax office will then issue what is known as a PAYE exclusion order to your employer authorising him/her not to deduct tax from your salary. An exclusion order will operate from the date of your departure and will be effective for as long as you remain non resident and the duties of your employment continue to be exercised abroad. Although you will be deemed non resident from the date of your departure you are nevertheless due full personal tax credits for the complete tax year. In those circumstances you may be entitled to a tax adjustment, taking into account the unused portion of your tax credits (see question 4.5).

4.4. Can my employer continue to deduct PRSI from my salary if an exclusion order is put in place?

Once authorised not to deduct tax under the PAYE system your employer will no longer be able to deduct P.R.S.I. You may nevertheless continue to be insurable in Ireland. In such cases it will be necessary for you to remit PRSI directly to the Department of Social Community and Family Affairs. For convenience, a copy of the exclusion order will be sent directly to that Department's PRSI Special Collection Section, Social Welfare Services Office, Cork Road, Waterford. Tel. 051 356000, email spc@eircom.net. This will enable that Department to take up the matter either with you directly or with your employer.

4.5. I am going abroad and have not used up my full tax credits for the tax year in which I leave. How do I claim a refund of tax paid?

You can claim a refund of tax paid by supplying the following details to your local tax office:

- ▶ a completed claim form P50 (available from your local tax office or from our website www.revenue.ie/forms.htm);
- ▶ your P45 (available from your employer) if you are leaving your existing employment);
- ▶ a completed return of income form 11 (also available from your local tax office or from our website); and
- ▶ a statement to the effect that you are going to live abroad permanently or in such circumstances that you will not be resident in Ireland for at least the following tax year.

4.6. How will sources of foreign income other than employment income be treated when I am non resident?

For any tax year during which you are non resident but remain ordinarily resident (see questions 2.2 and 2.4) your foreign sourced income (excluding income from an employment, a trade or profession, the duties of which are not exercised in Ireland) will remain chargeable to Irish tax unless such income does not exceed €3,810 for that tax year. If the income exceeds €3,810 the total amount (not just the excess over €3,810) becomes taxable. During the short tax "year" ending 31 December 2001 tax will arise on foreign income if it exceeds £2,220. However for any tax year that you are resident in a country with which Ireland has concluded an agreement for the avoidance of double taxation this income may be exempt from Irish tax under the provisions of that agreement.

4.7. I intend to let my home while I am abroad. Will I have a liability to Irish tax on the rental income?

Regardless of your residence status you will have a liability to tax on the rent you receive from letting your home. For details as to how such tax should be paid please contact your local tax office.

4.8. When I come back to live in Ireland how will my employment income be treated in the year of my return?

If you are resident in the tax year during which you return to Ireland and you intend to be resident for the following tax year, employment income earned before the date of your return will not be taxable (this arrangement is known as *split year treatment*).

As a resident for the tax year of your return to Ireland you will be entitled to personal tax credits for the full tax year.

You will be regarded as being resident in Ireland for a tax year if you satisfy either of the residence tests outlined at question 2.2. Should you not satisfy either of these tests you can, if you wish, elect to be resident for the tax year of your return. A condition of making an election is that you must establish to the satisfaction of your local tax office that you will be resident here for the following tax year under either of the tests outlined at question 2.2. You should be aware that once an election is made it cannot subsequently be cancelled.

If you are non resident for this tax year you will be taxable on earnings from an employment, the duties of which are exercised in Ireland. As a non resident you may be entitled to a proportion of tax credits and reliefs. This proportion is determined by the relationship between your income for the tax year which is subject to Irish tax and your income from all other sources which is not subject to Irish tax.

4.9. While I was abroad I saved some of my employment earnings. How are these savings treated for tax purposes when I return?

If the savings were from employment income earned in a tax year(s) during which you were non resident those savings will not be taxable when you bring them home with you on your return.

Appendix A

Double Taxation Treaties entered into by Ireland

Ireland currently has comprehensive double taxation agreements in force with 40 countries. The agreements generally cover income tax, corporation tax and capital gains tax (direct taxes). The following is a list of those agreements:

Australia	India	Poland
Austria	Italy	Portugal
Belgium	Israel	Romania
Bulgaria *	Japan	Russia
Canada	Korea (Rep of)	Slovak Republic
China	Latvia	South Africa
Cyprus	Lithuania	Spain
Czech Republic	Luxembourg	Sweden
Denmark	Malaysia	Switzerland
Estonia	Mexico	United Kingdom
Finland	Netherlands	United States
France	New Zealand	Zambia
Germany	Norway	
Hungary	Pakistan	

A number of new treaties are in the course of being negotiated with Croatia, Egypt, Iceland, Singapore, Slovenia, Turkey and Ukraine. Also, existing treaties are being re-negotiated with Canada and France. Copies of existing Double Taxation Agreements are available on the Revenue web site www.revenue.ie/fra_pubs.htm.

* The Bulgarian treaty will not come into effect for income tax and capital gains tax purposes until 1 January 2003. It is effective for corporation tax purposes from 1 January 2002.

Appendix B

List of Tax Offices

Inspector of Taxes Dublin Area

Central Revenue Information Office

Cathedral Street, Off Upper O'Connell Street, Dublin 1
(*Personal Callers only*)

Central Telephone Information Office

Telephone Service 353 1 878 0000

Taxes Central Registration Office

Arus Brugha, 9/15 Upper O'Connell Street, Dublin 1
Telephone: 353 1 865 5000
E-mail: tcro@revenue.ie

Tallaght Revenue Information Office

Level 2, The Square, Tallaght, Dublin 24
(*Personal Callers only*)

Revenue Forms & Leaflets Service

Telephone Service 353 1 878 0100

Dublin PAYE No. 1 & PAYE No. 4,

Arus Brugha, 9/15 Upper O'Connell Street, Dublin 1
Telephone: 353 1 865 5000
E-mail: paye1@revenue.ie
& paye4@revenue.ie
(*Employees*)

Dublin PAYE No. 2 & PAYE No. 3,

85/93, Lower Mount Street, Dublin 2
Telephone: 353 1 647 4000
E-mail: paye2@revenue.ie
& paye3@revenue.ie
(*Employees*)

Dublin Tax District

1A Lower Grand Canal St, Dublin 2
Telephone: 353 1 647 4000
E-mail: dubittax@revenue.ie
(*Self Employed Individuals/Trusts*)

Dublin Corporation Tax District

Lansdowne House, Lansdowne Road, Dublin 4
Telephone: 353 1 631 6700
E-mail: dubcttax@revenue.ie
(*Companies*)

Dublin Directors District

Lansdowne House, Lansdowne Road, Dublin 4
Telephone: 353 1 631 6700
E-mail: dubdirs@revenue.ie
(*Company Directors*)

Inspector of Taxes Provincial Districts

Athlone Tax District

Government Offices, Pearse Street, Athlone, Co. Westmeath
Telephone: 353 902 21800
E-mail: athlntax@revenue.ie

Castlebar Tax District

Michael Davitt House, Castlebar, Co. Mayo
Telephone: 353 94 37000
E-mail: mayotax@revenue.ie

Cork Tax District

Government Offices, Sullivan's Quay, Cork
Telephone: 353 21 496 6077
E-mail: corkpaye@revenue.ie

Dundalk Tax District

Earl House, Earl Street, Dundalk
Telephone: 353 42 935 3700
E-mail: louthtax@revenue.ie

Galway Tax District

Hibernian House, Eyre Square, Galway
Telephone: 353 91 536000
E-mail: galwaytax@revenue.ie

Kilkenny Tax District

Government Offices, Hebron Road, Kilkenny
Telephone: 353 56 75300
E-mail: kilkentax@revenue.ie

Letterkenny Tax District

High Road, Letterkenny, Co. Donegal
Telephone: 353 74 694009
E-mail: donegtax@revenue.ie

Limerick Tax District

River House, Charlotte Quay, Limerick
Telephone: 353 61 212700
E-mail: limtax@revenue.ie

Sligo Tax District

Government Offices, Cranmore Road,
Sligo
Telephone: 353 71 48600
E-mail: sligotax@revenue.ie

Thurles Tax District

Government Offices, Stradavoher,
Thurles, Co. Tipperary
Telephone: 353 504 28700
E-mail: tipptax@revenue.ie

Tralee Tax District

Government Offices, Spa Road, Tralee,
Co. Kerry
Telephone: 353 66 7183100
E-mail: kerrytax@revenue.ie

Waterford Tax District

Government Offices, The Glen, Waterford
Telephone: 353 51 317200
E-mail: wfordtax@revenue.ie

Wexford Tax District

Government Offices, Anne Street,
Wexford
Telephone: 353 53 63300
E-mail: wxfordtax@revenue.ie