



**06TACD2020**

**BETWEEN/**

**APPELLANT**

**Appellant**

**V**

**REVENUE COMMISSIONERS**

**Respondent**

**DETERMINATION**

**Introduction and Background**

1. This appeal relates to a tax repayment claim in respect of tax relief on nursing homes fees paid by the Appellant in the years 2013 to 2016. At issue is the rate of tax at which those nursing home fees should be relieved.
2. During the tax years 2013-2016, the major portion of the Appellant's income was deposit interest subject to DIRT (Deposit Interest Retention Tax). The Appellant also had nursing home expense deductions relieved under S.469 TCA 1997 in these years. The Appellant has lodged a claim for relief in respect of qualifying nursing home expenses incurred by him in relation to his own care for the years 2013-2016 inclusive.
1. The Appellant was born on **REDACTED** and therefore over the age of 65 for the years under appeal. The Appellant qualified for repayment of Deposit Interest Retention Tax (DIRT) in accordance with S.267 TCA 1997, based on his age and level of taxable



income in 2013 to 2016. This is not in dispute. What is in dispute is the quantum of the relief in each year under appeal.

2. For the years under appeal, the Appellant has income taxable under Schedule E TCA 1997 (Other Income), in addition to substantial deposit interest, chargeable under Schedule D Case IV TCA 1997. The deposit interest was subject to DIRT at a rate of 33% for 2013 and at a rate of 41% for the years 2014, 2015 and 2016.
3. According to the Appellant, Revenue, in their notices of assessment for each year under appeal, have relieved the nursing home expenses firstly against the Appellant's Other Income and then the deposit interest chargeable at the higher DIRT rate. The effect of this treatment is that the Appellant's refund is reduced by €18,683 as per the table below.

#### **Refund Calculation**

<b>Year</b>	<b>Appellant</b>	<b>Revenue</b>	<b>Difference</b>
2013	€ 18,926	€15,613	€3,313
2014	30,527	25,157	5,370
2015	30,168	24,554	5,614
2016	27,526	23,140	<u>4,386</u>
			18,683

4. In each of the tax years in dispute the S.469 TCA 1997 nursing homes fees paid were in excess of the Other Income.
5. The Appellant has argued that he is entitled to apply the lower band rates of tax to his taxable income, after nursing home expenses have been set off against his total income for tax purposes. The Appellant argues that the effect of this would be to lower the overall liability for a particular tax year with a corresponding increase in his tax refund, when credit for DIRT incurred by him is taken into account.



6. The Respondent does not agree with the Appellants calculation's and has issued amended assessments for each of the 4 tax years in dispute (2013, 2014, 2015 and 2016) arguing that the correct basis of calculation under S.261(c)(II) TCA 1997 has been applied.
7. Based on the amended assessments issued the total repayment due to the Appellant was reduced from €107,147 to €88,465, a reduction of €18,682. The Appellant duly appealed all of the amended assessments.
8. By agreement of the parties, this case is adjudicated without a hearing in accordance with the provisions of s.949U TCA 1997.

### **Legislation**

9. The relevant legislation is set out in Appendix 1.
10. The following table maps the role of each section in the calculation of tax relief within this appeal;

Legislation TCA 1997	Purpose
S.3	Defines total income for tax purposes
S.15	Sets out rates of taxes (tax bands)
S.59	A credit for DIRT is given in tax calculations
S.74	Income taxable under Case IV Schedule D
S.256	Levies withholding tax or DIRT at a rate on deposit interest



S.261(c)	Interest subject to DIRT is to be included in <i>total income</i> for tax purposes
S.261(c) (II)	The rate of tax on interest subject to DIRT is the same as the rate at which DIRT was deducted
S.267	Allows for refund of DIRT in certain circumstances
S.458	Deductions allowed against taxable income
S.469	Relief for nursing home fees

### **Appellant's Submission**

11. The Appellant has made a detailed submission. Included within the Appellant's arguments is the following:

*"Under Section 3(1) TCA 1997 "Total Income" is defined as the taxpayer's total income from all sources as estimated in accordance with the Income Tax Acts. ....The determination of an individual's total income for a year of assessment is made by aggregating his income from every source as calculated and assessable for that year under the rules of the respective the Income Tax Acts require to be deducted in arriving at total income....*

*It is clear from the Taxes Acts that the stages in arriving at an individual's tax payable for the relevant tax year are as follows:*

*(a) The ascertainment of an individual's "total income" for the year i.e. the total of his income from all sources as computed under the rules of the relevant Schedules and Cases but as reduced by those deductions from income which the Income Tax Acts require to be deducted in computing "total income". Section 74 TCA 1997 provides that the full amount of profits or gains arising in the year*



*of assessment under Schedule D Case IV are to be taxed. This means that the gross amount of deposit interest received must be included in "total income." The total income is then reduced by any deductions or reliefs which the Acts require to be deducted from total income in arriving at taxable income....*

*(b) When the individual's taxable income has been ascertained for the relevant tax year the computation of his tax payable is made. Section 261 (c) (II) states that where the taxable income of that person includes relevant interest, the part of taxable income equal to that relevant interest shall be chargeable to tax at the rate at which tax was deducted from that relevant interest. The income tax chargeable is then calculated as follows:*

- At the standard rate on taxable income not exceeding the standard rate band.*
- At the rate applicable under Section 256(1) TCA 1997 on the Gross amount of deposit interest subject to DIRT.*
- At the higher rate on taxable income in excess of the standard rate band...."*

12. The Appellant has argued against the Respondent's calculation of relief in the following terms:

*"(The Revenue) have relieved the nursing home expenses firstly against the Appellant's income taxable at the standard rate and then the deposit interest chargeable at the higher DIRT rate".*

13. The Appellant states in his conclusion to his argument that:-

*"he can see no legislative basis for Revenue applying the deduction against income taxable at the standard rate of income tax in priority to that taxable at the higher DIRT rate nor have Revenue, in our view put forward any tenable*



*argument in support of their view. S.261(c)(i) specifically states that the gross deposit interest must be included in total income. In arriving at the taxable income, S.458 provides for certain deduction to be made from the individual's total income which include qualifying nursing home expenses. There is nothing in the Taxes Acts which provides for the deductions allowable under Section 469(2)(a)(ii) from total income, to be applied to a specific class of income in arriving at the taxable income of the taxpayer."*

14. The Respondent based their amended assessments on the application of S.261(c)(i) TCA 1997. The application of this section is the source of dispute between the parties.

15. The Appellant goes on to say in his rebuttal of the Respondent's arguments: -

*"All this section does and as is confirmed in the Revenue Notes for Guidance on TCA 1997 is to ensure that DIRT deducted from the interest on relevant deposits is a final liability to tax. It does not impact on the order of offset of allowable deductions such as nursing home fees against total income which is clearly stated to include relevant deposit interest taxable under Schedule D Case IV. Section 261 (c)(II) clearly states that "where the taxable income of that person includes relevant interest, the part of the taxable income equal to that relevant interest shall be chargeable to tax at the rate at which tax was deducted from relevant interest."*

18. The Appellant argues that he does not accept the Respondent's interpretation of the wording in S.261 (c)(II), and how this wording impinges on the availability of the standard rate band provided for under S.15 TCA 1997.

### **Respondent's Submission**

19. Included within the Respondent's submissions is the following:

*"Deposit Interest is subject to "appropriate tax" [D.I.R.T] at the rates specified in Section 256(1) TCA 1997 and is assessable to tax under Schedule D, Case IV and no other case as provided for in Section 261(c)(i) TCA 1997.*



*Revenue have consistently applied the interpretation to Section 261(c)(i)(II) TCA 1997 that when taxable income includes Deposit Interest that portion of taxable income that is represented by deposit interest is taxed at the D.I.R.T. rate that was in force at the time when the deposit interest was paid or credited.*

*The Case IV Basis of Assessment is set out in Section 74 TCA 1997. It does not provide for the offset of any deductions against Case IV income. Accordingly, the full amount of the profits or gains arising in the year of assessment are to be taxed.*

*To determine the liability of a “relevant person” as defined in Section 267 (1) TCA 1997 the allowability of deductions is as follows:*

*1<sup>st</sup> Deductions are allowed against the income chargeable at the higher rate as specified in Section 15 TCA 1997.*

*2<sup>nd</sup> Deductions are allowed against the income chargeable at the standard rate as specified in Section 15 TCA 1997.*

*3<sup>rd</sup> Deductions are allowed against appropriate tax.*

*This order has been correctly applied in granting relief for nursing home expenses in the calculation of your client’s liability for the years 2013 to 2016 inclusive.”*

## **Analysis and findings**

### **Relevant Legislation:**

20. Section 261(c)(II) TCA 1997 states that where the taxable income of a person includes relevant interest, the part of taxable income equal to that relevant interest shall be chargeable to tax at the rate at which tax was deducted from the relevant interest. As



set out above, the applicable rate for 2013 was 33% and for 2014, 2015 and 2016 was 41%. A credit for DIRT is provided for under Section 59 TCA 1997.

21. The Appellant has incurred substantial expenditure in respect of qualifying nursing home expenses in relation to his own care for the years 2013 to 2016.
22. There is no dispute between the parties that the Appellant is entitled to relief under Section 469 (2)(a)(ii) TCA 1997 which states:

*"where an individual proves that he or she defrayed health expenses incurred for the provision of health care in the nature of maintenance or treatment in a nursing home, other than nursing home which does not provide access to 24 hour nursing care on site, the individual shall be entitled for the purpose of ascertaining the amount of the income on which he or she is to be charged to income tax, to have a deduction made from his or her total income of the amount proved to have been so defrayed".*

23. There is provision in the Taxes Act for repayments of DIRT in certain cases. Section 267 TCA 1997 sets out the circumstances in which the deposit interest may be refunded. Section 267 (1)(a) states that for the purposes of this section, "relevant person" means "an individual or his or her spouse or civil partner who at some stage during the relevant year was of the age of 65 years or over".

Section 267(3) which states that:

*"where in any year of assessment (in this subsection referred to as "the relevant year") the total income of a relevant person includes any relevant interest (or would but for the provisions of Section 189(2), (189A(4) or Section 192(2), have included relevant interest) and apart from Section 261 (b) the relevant person would be entitled to repayment of the whole or any part of the appropriate tax deducted from that relevant interest, then, notwithstanding Section 261 (b), the repayment to which the relevant person would be so entitled may be made to the relevant person on the*



*making by the relevant person to the Inspector, not earlier than the end of the relevant year, of a claim in that behalf.”*

24. There is no dispute between the parties that the Appellant is entitled to relief under S.267(3). Neither is there a dispute as to the amount of DIRT suffered by the Appellant. What is in dispute is the amount tax payable by the Appellant on his taxable income and therefore the size of repayments of DIRT due to him.
25. In order to better understand the technicalities of this appeal, it is useful to set out the two differing approaches to the calculation of tax due as put forward by both the Appellant and the Respondent. I have summarised the calculation of tax due for the year 2014 only, on pages 10 and 11 of this determination:



<b>Appellant's -Tax Due Calculation</b>			€	€	€
<b><u>2014</u></b>			<b>Other</b>	<b>Case IV</b>	<b>Total</b>
Other Income	Case III	188			
	Soc Welfare	12033			
	Other Pension	<u>13346</u>	25567		25567
Deposit Interest	Case IV	129521		129521	129521
Total Income			25567	129521	155088
Deductions	Medical Expenses		0	0	0
			0	(64701)	(64701)
Taxable Income			25567	64820	90387
Tax	SRCOP - €32800	20%	5113		5113
	Case IV - DIRT				
	rate	41%		26576	26576
	Total Income Tax		<u>5113</u>	<u>26576</u>	<u>31690</u>



<b>Respondent's Tax Due Calculation</b>			€	€	€
<b><u>2014</u></b>			<b>Other</b>	<b>Case IV</b>	<b>Total</b>
Other Income	Case III	188			
	Soc Welfare	12033			
	Other Pension	<u>13346</u>	25567		25567
Deposit Interest	Case IV	129521		129521	129521
<b>Total Income</b>			<u>25567</u>	<u>129521</u>	<u>155088</u>
Deductions	Medical Expenses		(25567)	(39134)	(64701)
<b>Taxable Income</b>			<u>0</u>	<u>90387</u>	<u>90387</u>
Tax	SRCOP - €32800	20%	0		0
	Case IV - DIRT				
	rate	41%		37059	37059
	Total Income Tax		<u>0</u>	<u>37059</u>	<u>37059</u>

26. The deductions given in arriving at an individual's total income fall under two headings. Maguire in "Irish Income Tax" at 3.103 states:

*"First there are deductions which are 'specific' to particular classes of income, and which may normally be set off only against the income of the class of income to which they relate, so that the deduction in any tax year cannot exceed the income for the year of the class in question...."*

*Secondly, there are the 'general deductions' which are set off against the aggregate of an individual's income from all sources."*



The relief for nursing home costs falls in to the 'general deductions' category as there is no provision linking it a specific class of income.

27. Under Section 3(1) TCA 1997 "*Total Income*" is defined as the taxpayer's total "*income from all sources* (emphasis added) *as estimated in accordance with the Income Tax Acts.*"

The determination of an individual's total income (emphasis added) for a year of assessment is made by aggregating his income from every source as calculated and assessable for that year under the rules of the respective schedules and cases and by subtracting the deductions and allowances which the Income Tax Acts require to be deducted in arriving at total income.

Section 458 TCA 1997 provides for deductions allowed in ascertaining taxable income and provisions relating to reductions in tax. This includes a deduction under Section 469 TCA 1997 in relation to qualifying health expenses.

So the total income of the Appellant brought into charge to tax in 2014 was €90,387. This total income now becomes his taxable income.

28. The subsections of S.261 TCA 1997 most relevant in this case state that: -

*"Notwithstanding anything in the Tax Acts –*

*.....*

*(c)(I) the amount of any payment of relevant interest shall be regarded as income chargeable to tax under Case IV of Schedule D, and under no other Case or Schedule, and shall be taken into account in computing the total income of the person entitled to that amount, but, in relation to such a person (being an individual)-*

*.....*

*(II) where the taxable income of that person includes relevant interest, the part of taxable income equal to that relevant interest shall be chargeable to tax at the rate at which tax was deducted from that relevant interest, .....*"



29. It appears to me that once taxable income has been arrived at, after deduction for the nursing home expenses, that that taxable income then needs to be split between income coming within S.261(c) (II) and Other Income. The portion taxable under 261(c) (II) is taxed at the DIRT rate applicable and the Other Income is taxed in the ordinary way, under the provisions of S.15.

The Respondent does not offer any credible basis for their method in arriving at the allocation required by S.261) (c) (II).

The Appellant argues:

*‘There is nothing in the Taxes Acts which provides for the deductions allowable under Section 469(2)(a)(ii) from total income, to be applied to a specific class of income in arriving at the taxable income of the taxpayer’*

I agree with the Appellant on this point. I do not believe there to be a legislative basis prescribing how this allocation should happen. In my view S.261 (c) (II) is ambiguous.

Maguire in “Irish Income Tax” at 3.103 further states:

*“The order of priority between these various deductions can be important... Where there is no prescribed priority, it seems that the taxpayer may have a right to choose the order most favourable to him”.*

This view is supported by the Irish Supreme Court where Geoghegan J. in the case of *Robert Harris v JJ Quigley, Inspector of Taxes and Liam Irwin, Collector General* [2006] 1 IR 165 stated the following:

*“While, as far as possible, a taxing statute should be interpreted in the same way as any other statute and should not be interpreted, if at all possible, as to create an absurdity, nevertheless there is a countervailing principle that where there is an ambiguity a taxing statute will be interpreted in favour of the taxpayer.”*



Applying this principle, it seems to me that the calculation of the tax payable by the Appellant in the sample year 2014 should be allowed as set out in the table on page 14:

<b>Determination Tax Due Calculation</b>			€	€	€
<b><u>2014</u></b>			<b>Other</b>	<b>Case IV</b>	<b>Total</b>
Other Income	Case III	188			
	Soc Welfare	12,033			
	Other Pension	<u>13,346</u>	25,567		25,567
Deposit Interest	Case IV	129,521		129,521	129,521
Total Income			<u>25,567</u>	<u>129,521</u>	<u>155,088</u>
Deductions	Medical Expenses			<u>64,701</u>	<u>64,701</u>
Taxable Income			<u>25,567</u>	<u>64,820</u>	<u>90,387</u>
Tax	SRCOP - €32800	0	5113		5,113
	Case IV - DIRT rate	0		26,576	26,576
	Total Income Tax		<u>2,980</u>	<u>26,576</u>	<u>31,690</u>

30. In the above example, the allocation of €64,701 nursing home fees against deposit interest is arrived at using the method chosen by the Appellant.

Using the same calculation methodology as I have used in 2014, I have concluded that the repayment due to the Appellant for each of the years 2013 – 2016 should be as set out on page 15:



### 31. Refund Calculation

<b>Year</b>	<b>Appellant</b>	<b>Respondent</b>	<b>Determination</b>
2013	€18,926	€15,613	€18,926
2014	€30,527	€25,157	€30,527
2015	€30,168	€24,554	€30,168
2016	€27,526	€23,140	€27,526

Detailed calculations for years under appeal are set in Appendix 2.

### Conclusion

32. I determine that the method of allocation of the nursing home fees used by the Respondent in the within appeals to be incorrect.
33. I determine that the amended assessments raised by the Respondent in respect of Income Tax for 2013, 2014, 2015 and 2016, shall be appropriately amended so as to reflect the approach selected by the Appellant for allocating nursing home fees against total income and concur with the calculation of tax due for each year as set out in Appendix 2 and which concur with the refunds due as set out in the refund calculation summary above.
34. This Appeal is hereby determined in accordance with s.949AK TCA 1997.





**PAUL CUMMINS**  
**APPEAL COMMISSIONER**  
**19 December 2019.**



## APPENDIX 1

### Section 3 TCA 1997-Total Income and Taxable Income defined

*“taxable income” has the meaning assigned to it by section 458;*

*“total income” means total income from all sources as estimated in accordance with the Income Tax Acts;*

### Section 15 TCA 1997- Rate of Tax

- (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 and is not an individual referred to in paragraph (b), at the rates specified in Part 1 of the Table to this section, or.....*

Table 1 -2016

PART 1		
Part of taxable income	Rate of tax	Description of rate
(1)	(2)	(3)
The first €33,800	20 per cent	the standard rate
The remainder	40 per cent	the higher rate



Table 1 - 2015

PART 1		
Part of taxable income	Rate of tax	Description of rate
(1)	(2)	(3)
The first €33,800	20 per cent	the standard rate
The remainder	40 per cent	the higher rate

Table 1-2014

PART 1		
Part of taxable income	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

Table 1-2013

PART 1		
Part of taxable income	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

Section 59 TCA 1997- Charge to tax of income from which tax was deducted

*Where income (in this section referred to as "the relevant income") -*

*(a) from which tax is deductible by virtue of provisions relating to Schedule C or D, or*

*(b) from which tax is deductible by virtue of section 237 or 238,*

*is to be taken into account in computing the total income of an individual for any year of assessment, then, for the purpose of charging that total income to tax at the rate or rates of tax charged for that year of assessment, the following provisions shall apply:*

*(i) the relevant income shall be regarded as income chargeable to tax under Case IV of Schedule D and shall be charged accordingly, and*



*(ii) in determining the amount of tax payable on that total income, credit shall be given for the tax deducted from the relevant income and the amount of the credit shall be the amount of tax deducted from the relevant income.*

Section 74 TCA 1997-Case IV: basis of assessment

*1) Income tax under Case IV of Schedule D shall be computed either on the full amount of the profits or gains arising in the year of assessment or according to the average of such a period, not being greater than one year, as the case may require and as may be directed by the inspector.*

*(2) The nature of the profits or gains chargeable to income tax under Case IV of Schedule D, and the basis on which the amount of such profits or gains has been computed, including the average, if any, taken on such profits or gains, shall be stated to the inspector.*

*(3) Every such statement and computation shall be made to the best of the knowledge and belief of the person in receipt of or entitled to the profits or gains.*

Section 256 TCA 1997 - Rate of DIRT

2013

.....

*1. (b) subject to paragraph (c), in the case of interest paid in respect of any other relevant deposit, at the rate of 33 per cent, and*

2014-2016

.....

*1. "appropriate tax", in relation to a payment of relevant interest, means a sum representing income tax on the amount of the payment at the rate of 41 per cent;*

.....

Section 261 TCA 1997 – Taxation of relevant interest

*Notwithstanding anything in the Tax Acts –*

*(a) no part of any interest paid by a building society in respect of any shares in the society shall be treated for the purposes of the Corporation Tax Acts as a distribution of the society or as franked investment income of any company resident in the State;*



- (b) *except where otherwise provided for in section 267, no repayment of appropriate tax in respect of any relevant interest shall be made to any person receiving or entitled to the payment of the relevant interest who is not a company within the charge to corporation tax in respect of the payment;*
- (c) (i) *the amount of any payment of relevant interest shall be regarded as income chargeable to tax under Case IV of Schedule D, and under no other Case or Schedule, and shall be taken into account in computing the total income of the person entitled to that amount, but, in relation to such a person (being an individual)-*
- (I) except for the purposes of a claim to repayment under section 267(3), the specified amount within the meaning of section 188 shall, as respects the year of assessment for which he or she is to be charged to income tax in respect of the relevant interest, be increased by the amount of that payment,*
- (II) where the taxable income of that person includes relevant interest, the part of taxable income equal to that relevant interest shall be chargeable to tax at the rate at which tax was deducted from that relevant interest,*

.....

#### Section 267 TCA 1997 – Repayment of appropriate tax in certain cases

- (1) *In this section, “relevant person” means an individual, or his or her spouse or civil partner, who –*
- (a) *at some stage during the relevant year, was of the age of 65 years or over, or*
- (b) *throughout the relevant year, or from some time during the relevant year, as the case may be, was or became permanently incapacitated by reason of mental or physical infirmity from maintaining himself or herself.*
- (2) *Notwithstanding section 261(b), repayment of appropriate tax in respect of any relevant interest shall be made to a person entitled to exemption in respect of that interest –*



- (a) *from income tax under Schedule D by virtue of section 189A(2) or section 207(1)(b), or*
- (b) *from corporation tax by virtue of section 207(1)(b) as it applies for the purposes of corporation tax by virtue of section 76(6).*
  
- (3) *Where in any year of assessment (in this subsection referred to as “the relevant year”) the total income of a relevant person includes any relevant interest or would, but for the provisions of section 189(2), section 189A(4), section 192(2) have included relevant interest, and apart from section 261(b) the relevant person would be entitled to repayment of the whole or any part of the appropriate tax deducted from that relevant interest, then, notwithstanding section 261(b), the repayment to which the relevant person would be so entitled may be made to the relevant person on the making by the relevant person to the inspector, not earlier than the end of the relevant year, of a claim in that behalf.*

**Section 458 TCA 1997 - Deductions allowed in ascertaining taxable income**

*(1) An individual who, in the manner prescribed by the Income Tax Acts, makes a claim in that behalf and, subject to subsection (1B), makes a return in the prescribed form of the individual’s total income shall be entitled –*

*(a) for the purpose of ascertaining the amount of the income on which he or she is to be charged to income tax (in the Income Tax Acts referred to as “the taxable income”) to have such deductions as are specified in the provisions referred to in Part 1 of the Table to this section, but subject to those provisions, made from the individual’s total income, and*

.....

**Section 469 TCA 1997 – Relief for health expenses**

.....

*(2)(a) Subject to this section, where an individual for a year of assessment proves that in the year of assessment he or she defrayed health expenses incurred for the provision of*



*health care, the income tax to be charged on the individual, other than in accordance with section 16(2), for that year of assessment shall be reduced by the lesser of—*

*(i) the amount equal to the appropriate percentage of the specified amount, and*

*(ii) the amount which reduces that income tax to nil,*

*but, where an individual proves that he or she defrayed health expenses incurred for the provision of health care in the nature of maintenance or treatment in a nursing home, other than a nursing home which does not provide access to 24 hour nursing care on-site, the individual shall be entitled for the purpose of ascertaining the amount of the income on which he or she is to be charged to income tax, to have a deduction made from his or her total income of the amount proved to have been so defrayed.*

.....



## APPENDIX 2

<b>Determination Calculation</b>			<b>€</b>	<b>€</b>	<b>€</b>
<b><u>2013</u></b>			<b>Other</b>	<b>Case IV</b>	<b>Total</b>
Other Income	Case III	322			
	Soc Welfare	11,976			
	Other Pension	<u>13,181</u>	25,479		25,479
Deposit Interest	Case IV	110,013		110,013	110,013
<b>Total Income</b>			<u>25,479</u>	110,013	135,492
Deductions	Carer Allow			(10,900)	(10,900)
	Medical Expenses			<u>(33,523)</u>	<u>(33,523)</u>
<b>Taxable Income</b>			25,479	65,590	91,069
Tax	SRCOP - €32800	20%	5,096		5,096
	Case IV - DIRT rate	33%		21,645	21,645
	Total Income Tax		<u>5,096</u>	21,645	26,741
Less Credits					<u>(4,913)</u>
					21,828
Add PRSI/USC					339
					<u>22,167</u>
Less tax paid	PAYE/USC				(4,788)
	DIRT				<u>(36,304)</u>
					<u>(18,926)</u>



<b>Determination Calculation</b>			€	€	€
<b><u>2014</u></b>			<b>Other</b>	<b>Case IV</b>	<b>Total</b>
Other Income	Case III	188			
	Soc Welfare	12,033			
	Other Pension	13,346	25,567		25,567
Deposit Interest	Case IV	129,521		129,521	129,521
<b>Total Income</b>			<b>25,567</b>	<b>129,521</b>	<b>155,088</b>
Deductions	Medical Expenses			0	0
			0	64,701	64,701
<b>Taxable Income</b>			<b>25,567</b>	<b>64,820</b>	<b>90,387</b>
Tax	SRCOP - €32800	20%	5,113		5,113
	Case IV - DIRT rate	41%		26,576	26,576
	<b>Total Income Tax</b>		<b>5,113</b>	<b>26,576</b>	<b>31,690</b>
Less Credits					(4,638)
Add PRSI/USC					27,052
					341
					27,393
Less tax paid	PAYE/USC				(4,816)
	DIRT				(53,104)
					<b>(30,527)</b>



<b>Determination Calculation</b>			€	€	€
<b><u>2015</u></b>			<b>Other</b>	<b>Case IV</b>	<b>Total</b>
Other Income	Case III	1,045			
	Soc Welfare	13,580			
	Other Pension	12,148	26,773		26,773
Deposit Interest	Case IV	79,456		79,456	79,456
<b>Total Income</b>			<b>26,773</b>	<b>79,456</b>	<b>106,229</b>
Deductions	Medical Expenses			0	0
			0	64,701	64,701
<b>Taxable Income</b>			<b>26,773</b>	<b>14,755</b>	<b>41,528</b>
Tax	SRCOP - €32800	20%	5,355		5,355
	Case IV - DIRT rate	41%		6,050	6,050
	<b>Total Income Tax</b>		<b>5,355</b>	<b>6,050</b>	<b>11,404</b>
Less Credits					(4,535)
Add PRSI/USC					6,869
					273
					7,142
Less tax paid	PAYE/USC/DTC				(4,733)
	DIRT				(32,577)
					<b>(30,168)</b>



<b>Determination Calculation</b>			€	€	€
<b><u>2016</u></b>			<b>Other</b>	<b>Case IV</b>	<b>Total</b>
Other Income	Case III	186			
	Soc Welfare	12,586			
	Other Pension	13,320	26,092		26,092
Deposit Interest	Case IV	60,336		60,336	60,336
<b>Total Income</b>			<b>26,092</b>	<b>60,336</b>	<b>86,428</b>
Deductions	Medical Expenses		4,365	60,336	64,701
<b>Taxable Income</b>			<b>21,727</b>	<b>0</b>	<b>21,727</b>
Tax	SRCOP - €32800	20%	4,345		4,345
	Case IV - DIRT rate	41%		0	0
	<b>Total Income Tax</b>		<b>4,345</b>	<b>0</b>	<b>4,345</b>
Less Credits					(4,523)
Add PRSI/USC					0
					165
Less tax paid	PAYE/USC				165
	DIRT				(2,953)
					(24,738)
					<b>(27,526)</b>



