



**139TACD2020**

**BETWEEN/**

**[APPELLANT]**

**Appellant**

**-and-**

**THE REVENUE COMMISSIONERS**

**Respondent**

**DETERMINATION**

**Appeal**

1. This appeal relates to a claim for the repayment of tax pursuant to section 865 of the Taxes Consolidation Act, 1997 in respect of the year 2013. The appeal is adjudicated without a hearing in accordance with section 949U of the Taxes Consolidation Act, 1997.
2. By letter dated 15 March 2018, the Appellant was informed that the Revenue Commissioners were precluded from repaying an overpayment of income tax for the year 2013 as the claim was not made within the four-year period in section 865(4) of the Taxes Consolidation Act, 1997. The Appellant was informed that, in accordance with section 865(7) of the Taxes Consolidation Act, 1997, an appeal against the decision not to repay the overpayment of tax could be made, within 30 days after the date of the letter, to the Tax Appeals Commission. On 4 April 2018, a notice of appeal was received by the Tax Appeals Commission.



### **Background**

3. On 1 December 2017, the Appellant was notified by the Revenue Commissioners of a delay in processing a repayment of tax for the years 2014, 2015 and 2016 as the Form 11 for the years 2012 and 2013 was outstanding. On 3 February 2018, the Appellant delivered a return of income, charges and capital gains for the year 2013. On 8 February 2018, a Notice of Assessment to Income Tax issued to the Appellant showing an overpayment of €881.28. The Notice of Assessment included the statement *‘This repayment may not be due in accordance with S.865 TCA 1997.’* On 15 March 2018, the Appellant was informed that the Revenue Commissioners were precluded from repaying the overpayment of tax for the year 2013 as the claim was not made within the four-year period in section 865(4) of the Taxes Consolidation Act, 1997.

### **Legislation**

4. Section 865 of the Taxes Consolidation Act, 1997 provides:

“(1) (a) *In this section and section 865A-*

*“Acts” means the Tax Acts, the Capital Gains Tax Acts, Part 18A, Part 18C and Part 18D and instruments made thereunder,*

*“chargeable period” has the meaning assigned to it by section 321.*

...

*“tax” means any income tax, corporation tax, capital gains tax, income levy, domicile levy or universal social charge and includes-*

...

*“valid claim” shall be construed in accordance with paragraph (b).*

(b) *For the purposes of subsection (3) –*

(i) *where a person furnishes a statement or return which is required to be delivered by the person in accordance with any provision of the Acts for a chargeable period, such a statement or return*



*shall be treated as a valid claim in relation to a repayment of tax where-*

*(I) all the information which the Revenue Commissioners may reasonably require to enable them determine if and to what extent a repayment of tax is due to the person for that chargeable period is contained in the statement or return, and*

*(II) the repayment treated as claimed, if due –*

*(A) would arise out of the assessment to tax, made at the time the statement or return was furnished, on foot of the statement or return, or*

*(B) would have arisen out of the assessment to tax, that would have been made at the time the statement or return was furnished, on foot of the statement or return if an assessment to tax had been made at that time.*

*(ii) where all information which the Revenue Commissioners may reasonably require, to enable them determine if and to what extent a repayment of tax is due to a person for a chargeable period, is not contained in such a statement or return as is referred to in subparagraph (i), a claim to repayment of tax by that person for that chargeable period shall be treated as a valid claim when that information has been furnished by the person, and*

...

*(2) Subject to the provisions of this section, where a person has, in respect of a chargeable period, paid, whether directly or by deduction, an amount of tax which is not due from that person or which, but for an error or mistake in a return or statement made by the person for the purposes of an assessment to tax, would not have been due from the person, the person shall be entitled to repayment of the tax so paid.*

...



...

(3) *A repayment of tax shall not be due under subsection (2) unless a valid claim has been made to the Revenue Commissioners for that purpose.*

...

(4) *Subject to subsection (5), a claim for repayment of tax under the Acts for any chargeable period shall not be allowed unless it is made -*

(a) *in the case of claims made on or before 31 December 2004, under any provision of the Acts other than subsection (2), in relation to any chargeable period ending on or before 31 December 2002, within 10 years,*

(b) *in the case of claims made on or after 1 January 2005 in relation to any chargeable period referred to in paragraph (a), within 4 years, and*

(c) *in the case of claims made -*

(i) *under subsection (2) and not under any other provisions of the Acts, or*

(ii) *in relation to any chargeable period beginning on or after 1 January 2003*

*within 4 years,*

*after the end of the chargeable period to which the claim relates.*

...

(6) *Except as provided for by this section, section 865A or by any other provision of the Acts, the Revenue Commissioners shall not –*

(a) *repay an amount of tax paid to them, or*

(b) *pay interest in respect of an amount of tax paid to them.*

(7) *Where any person is aggrieved by a decision of the Revenue Commissioners on a claim to repayment by that person, in so far as that decision is made by reference to any provision of this section, the person may appeal the decision to the Appeal Commissioners, in accordance with section 949I, within the period of 30 days after the date of the notice of that decision.*

... ”

## **Submissions**

5. The Appellant submits that he commenced engagement with the Revenue Commissioners with respect to the year 2013 in June 2016 and was informed by the Revenue Commissioners that he should deliver a return of income, charges and capital gains (Form 11) for the year 2013. The Appellant submits that he was informed by the Revenue Commissioners that he would require his P45. The Appellant submits that his efforts to obtain his P45 were frustrated as the company that he worked for at the time had engaged an external firm to manage payroll and he was unable to contact that firm to get the required information. The Appellant submits that in early 2018 he was informed that he could obtain the required information from the Revenue Commissioners. Having received the required information (which the Appellant came to learn was a P60 rather than a P45), the Appellant delivered a tax return for the year 2013 on 3 February 2018. A Notice of Assessment to Income Tax dated 8 February 2018 issued to the Appellant showing an overpayment of €881.28. The Appellant submits that as he commenced the process within the four-year period, the Appellant should be entitled to the repayment of tax.
  
6. The Revenue Commissioners submit that the Appellant registered for income tax on 12 April 2012. As the Appellant was registered for income tax, the Appellant had an obligation to make a tax return for the year 2013 under section 959I of the Taxes Consolidation Act, 1997. The Appellant was required to deliver the tax return by 31 October 2014 (extended to 13 November 2014 if delivered through revenue online services). The Appellant delivered a tax return for the year 2013 on 3 February 2018. The Revenue Commissioners submit that as the claim for repayment of tax was not made within the four-year period in section 865(4), the Revenue Commissioners are precluded from repaying the overpayment of €881.28.



### **Analysis and Findings**

7. Section 865(2) provides that a person is entitled to a repayment of tax paid where an amount of the tax paid is not due from that person. Section 865(3) provides that a repayment of tax is not due unless a valid claim has been made to the Revenue Commissioners. Section 865(1)(b)(i) provides that where a person furnishes a return which is required to be delivered by the person for a chargeable period, such a return shall be treated as a valid claim in relation to a repayment of tax where all the information which the Revenue Commissioners may reasonably require to enable them determine if and to what extent a repayment of tax is due is contained in the return furnished by the person.
  
8. As regards a limitation period for a repayment of tax under section 865, subsection (4) provides that ‘...*a claim for repayment of tax under the Acts for any chargeable period shall not be allowed unless it is made- ..... within 4 years, after the end of the chargeable period to which the claim relates.*’ [emphasis added].
  
9. The Appellant sought a repayment of tax on the basis that an amount of tax paid by him for the year 2013 was not due. The entitlement to a repayment of tax arises under section 865(2). Section 865(3) means that the repayment of tax sought by the Appellant under section 865(2) is not due unless a valid claim has been made to the Revenue Commissioners. Therefore, for the repayment of tax of €881.28 to be due, the Appellant must have made a valid claim to the Revenue Commissioners.
  
10. As the Appellant was a person required to deliver a tax return, the return is treated as a valid claim where all the information which the Revenue Commissioners may reasonably require to enable them determine if and to what extent a repayment of tax is due to the Appellant is contained in the return. The tax return delivered by the Appellant on 3 February 2018 was treated as valid claim within the meaning of section 865(3). For the purposes of section 865, an



Appellant, who is a chargeable person, must demonstrate that a valid claim was made to the Revenue Commissioners before a repayment of tax may be due, regardless if there was engagement between the Appellant and the Revenue Commissioners. The taxation system is developed on the premise of self-assessment. On 1 December 2017, being within the four-year period for the year 2013, the Appellant was notified by the Revenue Commissioners of a delay in processing a repayment of tax for other years as the tax return for the year 2013 was outstanding. In this appeal, a valid claim was made by the Appellant to the Revenue Commissioners following delivery of the tax return on 3 February 2018. If the Appellant was a person other than a chargeable person, the requirements for a valid claim would be modified in accordance with section 865(3A).

11. In deciding if the Appellant is entitled to a repayment of tax, and having established that there is a valid claim, the provisions of section 865(4) are applied. As the claim for repayment of tax by the Appellant was made outside the four-year period specified in section 865(4) the claim for repayment of €881.28 by the Appellant is not allowed. The use of the word '*shall*' in section 865(4) indicates an absence of discretion in the application of the provision. The wording of the provision does not provide for extenuating circumstances in which the four-year period might be mitigated. In the circumstances, I do not consider that I have the authority to direct that a repayment of tax be made to the Appellant where a claim for repayment of tax was made outside the four-year period specified in section 865(4).

### **Determination**

12. Pursuant to the wording of section 865 of the Taxes Consolidation Act, 1997, and in particular the word '*shall*' in section 865(4) as regards the application of the four-year statutory limitation period, I determine that the claim for repayment of tax for the year 2013 is not allowed under section 865 of the Taxes





Consolidation Act, 1997 in circumstances where a valid claim was made outside the four-year period.

13. This appeal is hereby determined in accordance with section 949AL of the Taxes Consolidation Act, 1997.

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**FIONA McLAFFERTY**  
**APPEAL COMMISSIONER**

**14 MAY 2020**

