



87TACD2021

BETWEEN/

APPELLANT

Appellant

AND

REVENUE COMMISSIONERS

Respondent

DETERMINATION

Introduction

1. This appeal relates to a repayment claim pursuant to s.865 of the Taxes Consolidation Act 1997, as amended ('TCA 1997'). The request for repayment relates to an overpayment of income tax for 2013.
2. By agreement of the parties, this case is adjudicated without a hearing in accordance with the provisions of s.949U TCA 1997.

Background

3. The income tax return of the Appellant for the year 2013 was submitted to Revenue on 7 January 2019. The return was filed late due to a series of difficult personal and financial problems the Appellant encountered over a number of years.

4. The tax return when fully processed by the Respondent on 14 January 2019 resulted in repayment due to the Appellant for 2013.
5. The overpayment for 2013 was disallowed by the Respondent on the basis that s.865(4) TCA 1997 provides that a claim for repayment of tax for a chargeable period shall not be allowed unless it is made within 4 years after the end of that chargeable period. A Notice issued to the Appellant on 16 February 2019 to advise her as the claim for repayment of tax for the year 2013 was filed outside the 4-year time limit set out in s.865(4) TCA 1997, the Respondent was precluded from making the relevant refund. The Appellant was also advised of her right to appeal the matter to the Tax Appeals Commission in accordance with s.865(7) of the TCA 1997.
6. The Appellant sought repayment of the amount overpaid in respect of the tax year 2013 and duly appealed the matters to the Tax Appeals Commission on 24 February 2019.
7. The facts are not in dispute in this appeal.

Legislation

8. s.865 TCA 1997 - Repayment of Tax

...

‘(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.]

[(3A)(a) Subject to paragraph (b), subsection (3) shall not prevent the Revenue Commissioners from making, to a person other than a chargeable person (within the meaning of [Part 41A]), a repayment in respect of tax deducted, in accordance with Chapter 4 of Part 42 and the regulations made thereunder, from that person’s emoluments for a year of assessment where, on the basis of the information available



to them, they are satisfied that the tax so deducted, and in respect of which the person is entitled to a credit, exceeds the person's liability for that year.

(b) A repayment referred to in paragraph (a) shall not be made at a time at which a claim to the repayment would not be allowed under subsection (4).]

(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 provision 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.*

(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

9. The Appellant submitted details of the extenuating circumstances that prevented her from attending to her tax affairs on time.
10. The Appellant submitted that she was unaware of the time limits for claiming repayments of tax and sought to have the matter reviewed more favourably due to her personal circumstances.
11. The Respondent submitted that the claim due on foot of the return filed on 7 February 2019 for tax year 2013 (claiming a repayment of income tax), cannot be repaid because



of the restrictions imposed on the Respondent by s.865(4) of the Taxes Consolidation Act (TCA) 1997.

12. The Respondent submitted that as the tax return and repayment claim for tax year 2013 was made more than 4 years after the end of the tax year to which the claim relates, the Revenue Commissioners are statute barred from making the repayment.

Analysis and findings

13. 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.
14. 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. Section 865(1)(b)(ii) provides that where all the information which the Revenue Commissioners may reasonably require to enable them to determine if and to what extent a repayment of tax is due is not contained in the return furnished by the person, a claim for repayment of tax shall be treated as a valid claim when that information has been furnished by the person.
15. 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].
16. The Appellant sought repayment of tax on the basis that an amount of tax paid by her for the tax 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 in the amounts for 2013 to be due, the Appellant must have made a valid claim to the Revenue Commissioners.



17. The Revenue Commissioners had all the information which they required to enable them determine if and to what extent a repayment of tax was due to the Appellant, following the delivery of the relevant claim to repayment, only when the 2013 return was received on 7 January 2019.
18. In deciding if the Appellant is entitled to 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 4-year period specified in section 865(4) the claim for repayment for the year 2013 by the Appellant is not allowed.
19. In my view, the use of the word '*shall*' per s.865(4) TCA 1997, indicates an absence of discretion in the application of this provision. The wording of the provision does not provide for extenuating circumstances in which the 4-year rule might be mitigated. In short, I do not consider that I have the authority or discretion to direct that repayment be made to the Appellant where the claim for repayment falls outside the 4-year period specified in s.865(4) TCA 1997.
20. Previous determinations of the Tax Appeals Commission have addressed the matter of repayment in the context of the 4-year statutory limitation period. These determinations, may be found on the Commission website.¹
21. I have fully considered the extenuating circumstances described by the Appellant both in her appeal and in the provision of her statement of case in this appeal.
22. The determinations that can be made by an Appeal Commissioner are those delineated in s.949AK and s.949AL of TCA 1997. Those provisions confine the Appeal Commissioners to making a determination in relation to the assessments, decisions, determinations or other matters which are the subject matter of the appeal actually before the Appeal Commissioners. The jurisdiction of the Appeal Commissioners is confined to interpreting tax legislation and ensuring that the Revenue Commissioners have complied with that legislation. The Appeal Commissioners do not have the jurisdiction to determine whether a legislative provision is discriminatory or unfair or otherwise unlawful; we are not empowered by statute to apply the principles of equity or to grant declaratory reliefs.

¹ www.taxappeals.ie



23. Accordingly, I am satisfied that it would be *ultra vires* for me to embark upon a consideration of, or to make a finding or determination in relation to leniency in the application of the 4-year rule in the Appellant's circumstances. I must therefore decline to consider this argument or to make any finding in relation thereto.

Determination

24. I determine that the Appellant made a valid claim in accordance with section 865 TCA 1997 for the year 2013 on 7 January 2019, which is more than four years after the end of the chargeable period to which the claim for repayment of tax relates.

25. Pursuant to the wording of s.865 TCA 1997, and in particular the use of the word "*shall*" per subsection 865(4) TCA 1997, I determine that I do not have discretion as regards the application of the 4-year statutory limitation period in circumstances where the claim has been made outside of the 4-year period. As a result, I have no alternative but to determine that the repayment claim on behalf of the Appellant for the tax year of assessment 2013 is out of time in accordance with the provisions of s.865(4) TCA 1997.

26. This Appeal is hereby determined in accordance with s.949AL TCA 1997.

CHARLIE PHELAN
APPEALS COMMISSIONER
29 MARCH 2021.

