



AN COIMISIÚIN UM ACHOMHAIRC CHÁNACH
TAX APPEALS COMMISSION

66TACD2025

Between

[REDACTED]

Appellant

and

REVENUE COMMISSIONERS

Respondent

Determination

Introduction

1. This is an appeal by [REDACTED] (“the Appellant”) to the Tax Appeals Commission (“the Commission”) against a statement of liability for the tax years 2019 to 2023 issued by the Revenue Commissioners (“the Respondent”) which showed a total underpayment of income tax of €5,515.05. The underpayment arose on foot of the Respondent disallowing certain reliefs and deductions claimed by the Appellant, and determining that some tax had been underpaid by her.

Background

2. The Appellant is a PAYE employee. She had claimed various tax reliefs and deductions for the years 2019 to 2023 inclusive. The Respondent carried out a compliance check and disallowed a number of the claims. Following the provision of additional information by the Appellant, the Respondent allowed some, but not all, of the reliefs and deductions claimed.
3. The Respondent issued a number of statements of liability to the Appellant, including in March and May 2024, following which the Appellant provided additional information. On 17 July 2024, the Respondent issued what it termed its third settlement letter to the

Appellant. This stated that its PAYE compliance check for 2019 to 2023 was complete, and stated that the Appellant had the following liabilities:

Year	Tax	Interest	Total
2023	3074.37	168.32	3242.69
2022	0	0	0
2021	782.77	95.14	877.91
2020	1161.59	164.18	1325.77
2019	53.29	15.39	68.68
TOTAL	5072.02	443.03	5515.05

4. The Respondent issued a detailed breakdown of how the above liabilities arose to the Appellant on 30 August 2024. On 15 August 2024, the Appellant appealed against the statement of liabilities to the Commission. The appeal proceeded by way of a hearing in private on 18 February 2025. The Appellant appeared in person, [REDACTED] [REDACTED] The Respondent was represented by its officers.

Legislation and Guidelines

5. Section 112(1) of the Taxes Consolidation Act 1997 as amended ("TCA 1997") states that
- "Income tax under Schedule E shall be charged for each year of assessment on every person having or exercising an office or employment of profit mentioned in that Schedule, or to whom any annuity, pension or stipend chargeable under that Schedule is payable, in respect of all salaries, fees, wages, perquisites or profits whatever therefrom, and shall be computed on the amount of all such salaries, fees, wages, perquisites or profits whatever therefrom for the year of assessment."*
6. Section 960C of the TCA 1997 states that *"Tax due and payable under the Acts shall be due and payable to the Revenue Commissioners."*

7. The Respondent's online guide to claiming expenses to offset against rental income¹ states that "You must keep full and accurate records of all expenses for each property you rent out." It also states that Local Property Tax ("LPT") is not an allowable expense.

Submissions

Appellant

8. In written submissions, the Appellant stated that:

"Compliance for the period from 2019 to 2023 statement of liabilities exhibits incorrect figures and does not make sense how the figures were computed. I have provided almost all the documents that were requested except some receipts from previous years. It is hard to keep record of all the receipts once the year passes."

9. She contended that the rental figures relied on by the Respondent were incorrect and provided alternative figures. She submitted that the 2022 and 2023 statements of liability stated that she received income from [REDACTED] which was incorrect. She accepted that some of the medical expenses claimed were not for prescription medicines, but stated that she found it difficult to make a living on her salary.
10. In oral submissions, the Appellant stated that she believed the Respondent's figures were incorrect. She believed she was entitled to additional relief for expenses incurred on renting an apartment, but she did not have receipts. She stated that most of the expenses were paid for in cash. She believed she had been incorrectly taxed on maternity leave income. She had not worked in [REDACTED] [REDACTED] stated that they had had difficulties with the tenants in their apartment which had caused them to incur losses. The Appellant did not accept the contention of the Respondent that she simply did not want to pay any tax on her rental income, but stated that she believed she should be entitled to deduct payments for LPT.

Respondent

11. In written submissions, the Respondent stated that

"[The Appellant] declared rental income on her eForm 12 for 2020, 2021 and 2022 before Revenue opened an intervention on those years..."

¹ <https://www.revenue.ie/en/property/rental-income/irish-rental-income/what-expenses-are-allowed.aspx>

[The Appellant] claimed the following credits and relief through Revenue's online Income Tax return forms (eForm 12) 2019 - 2022 of the following:

2019 - Flat Rate Expenses €331, Health Expenses €696, Medical Insurance Relief €933, Tuition Fees €4000

2020 - Flat Rate Expenses €331, Health Expenses €800, Rental Income €1993, Stay and Spend Credit €85, Dependent Relative €350, PRSA/AVC €2895, Medical Insurance Relief €933, Remote Working Relief €68.61

2021 - Flat Rate Expenses €331, Health Expenses €800, Rental Income €3801, Dependent Relative €980, Medical Insurance Relief €1000, Remote Working Relief €436.30

2022 - Flat Rate Expenses €331, Health Expenses €1698, Rent Tax Credit €500, Rental Income €2011, Dependent Relative €980, Medical Insurance Relief €1000, Remote Working Relief €167.09

2023 - Flat Rate Expenses €331, Medical Insurance Relief €1000..."

12. The Respondent provided details of the interaction with the Appellant, who subsequently submitted additional receipts and information in support of some of her claims. As stated above, a number of statements of liability issued to the Appellant. What the Respondent described as the third settlement letter issued to the Appellant on 17 July 2024, and a detailed breakdown of the Respondent's calculations were provided to her on 30 August 2024.
13. In oral submissions, the Respondent stated that it checked with [REDACTED] which confirmed that the Appellant had not been its employee for 2022 and 2023. As the Appellant had claimed credits in respect of income from [REDACTED] her liability had increased (2022 - €3259.55, 2023 - €273.79). In respect of her maternity benefit, tax had not been paid on the full income received by her.
14. Regarding the rental income, the Respondent stated that it had allowed substantial unvouched expense claims by the Appellant. In 2019, she had declared income of €4,000 and expenses of €5,279. In 2020, she had declared income of €9,600 and expenses of €4,749. In 2021, she had declared income of €9,600 and expenses of €5,799. In 2022, she had declared income of €10,100 and expenses of €8,089. The Respondent had allowed these expenses despite the Appellant having provided no receipts. The Appellant had sought to claim her LPT charge on the rental property as an expense. It seemed to

the Respondent that she did not consider that she should pay any tax on her rental income.

15. In response to a question from the Commissioner, the Respondent stated that the underpayment could be repaid by way of a one-off direct payment, or by means of a reduction in tax credits for future years. The Respondent stated that it had discussed these options with the Appellant.

Material Facts

16. Having read the documentation submitted, and having listened to the oral evidence and submissions at the hearing, the Commissioner makes the following findings of material fact:

- 16.1. The Appellant is a PAYE worker and also earns income from a property that she rents.
- 16.2. Between 2019 and 2023, the Appellant claimed a number of reliefs and deductions on her income tax. The Respondent carried out a compliance check and disallowed a number of the claims. Following the provision of additional information by the Appellant, the Respondent allowed some, but not all, of the reliefs and deductions claimed.
- 16.3. The Respondent issued a number of statements of liability to the Appellant, including in March and May 2024, following which the Appellant provided additional information.
- 16.4. On 17 July 2024, the Respondent issued what it termed its third settlement letter to the Appellant. This stated that its PAYE compliance check for 2019 to 2023 was complete, and stated that the Appellant had the following liabilities:

Year	Tax	Interest	Total
2023	3074.37	168.32	3242.69
2022	0	0	0
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TOTAL	5072.02	443.03	5515.05

- 16.5. The Appellant appealed against the statement of liability from the Respondent. She contended that the figures were incorrectly calculated, that she had been incorrectly stated to have been employed by [REDACTED] that she had been overtaxed in respect of maternity benefit, and that not all of her rental expenses had been allowed by the Respondent.
- 16.6. The Respondent stated that, as a result of the Appellant having been incorrectly stated to have worked for [REDACTED] in 2022 and 2023, she had an increased liability of €5,539.99 plus interest.
- 16.7. The Appellant had not demonstrated that the figures calculated by the Respondent were incorrect. She had not provided any receipts to justify her contention that she was entitled to additional deductions for rental expenses.

Analysis

17. The burden of proof in this appeal rests on the Appellant, who must show that the Respondent was incorrect to state that she had a total income tax liability of €5,515.05 for the years 2019 – 2023. In the High Court case of *Menolly Homes Ltd v. Appeal Commissioners* [2010] IEHC 49, Charleton J stated at paragraph 22 that “*The burden of proof in this appeal process is, as in all taxation appeals, on the taxpayer. This is not a plenary civil hearing. It is an enquiry by the Appeal Commissioners as to whether the taxpayer has shown that the relevant tax is not payable.*”
18. The Appellant was aggrieved at the statement of liability from the Respondent which provided that she had an outstanding liability to income tax of €5,515.05 for the years 2019 to 2023 inclusive. It was clear from the evidence submitted that the Appellant had sought to claim for a number of reliefs and deductions on her income tax, and that there had been considerable engagement between her and the Respondent prior to the issuance of the third and final statement of liability dated 17 July 2024.
19. While the Appellant stated that she believed the Respondent’s figures were incorrect, the Commissioner is satisfied that she has not met the burden of proof on her to demonstrate that they were in fact incorrect. The Respondent provided her with a detailed breakdown

of its calculations on 30 August 2024. The Commissioner considers that the Appellant did not properly engage with these calculations, nor demonstrate how they were allegedly wrong.

20. The Appellant stated that the statement of liability for 2022 and 2023 incorrectly stated that she was employed by [REDACTED]. It was not explained to the Commissioner how this error arose. However, the Respondent stated that it checked with [REDACTED] which confirmed that the Appellant was not employed by it. The Respondent stated that this resulted in an increased liability to tax on the part of the Appellant, as she had received credit for income not earned by her. The Respondent did not explicitly request the Commissioner to increase the Appellant's liability. In the circumstances, and as explained by him at the hearing, the Commissioner considers it appropriate to work on the basis of the figures provided by the Respondent in its statement of liability dated 17 July 2024, and he does not propose to increase the liability stated therein.
21. The Appellant contended that the Respondent had incorrectly taxed her maternity leave income. However, she did not refute the Respondent's argument that income tax had not been paid on the full amount of the income earned by her, and the Commissioner is satisfied that the Appellant has not shown that the liability calculated by the Respondent arising from her maternity leave payments is incorrect.
22. It seemed to the Commissioner that the Appellant's primary focus was on her contention that she was entitled to additional expenses to offset against her rental income. However, the Commissioner notes that she provided no receipts to justify this contention. She did provide calculations which sought to claim for, e.g. "*Bathroom repair €1,000. Furniture €2,000.*" The Commissioner considers that such claims are far too general and unspecific to enable him to allow for additional expenses to be granted. Nor does he accept the argument of the Appellant that she should be entitled to deduct her LPT payments from income. Section 97(2) of the TCA 1997 sets out what constitute qualifying expenses, and does not include LPT. Furthermore, the Respondent's online guidance states that LPT is not an allowable expense.
23. The Appellant did not refute the Respondent's contention that it had allowed substantial unvouched expense claims by her in respect of her rental property. In the circumstances, the Commissioner considers that the Respondent's approach was very reasonable, and he is satisfied that the Appellant has not demonstrated that the Respondent's approach to her claimed deductions was incorrect.
24. Consequently, the Commissioner is satisfied the appeal is not successful. He appreciates that this will be disappointing to the Appellant. However, for the reasons set out herein,

he finds that she has not met the burden of demonstrating that the Respondent's statement of liability is incorrect, and the appeal is refused.

Determination

25. In the circumstances, and based on a review of the facts and a consideration of the submissions, material and evidence provided by both parties, the Commissioner is satisfied that the Respondent was correct in stating that the Appellant had an underpayment of income tax in the amount of €5,515.05 for the years 2019 to 2023. Therefore, the statement of liability 2019 to 2023 stands.
26. This Appeal is determined in accordance with Part 40A of the TCA 1997, and in particular section 949AL thereof. This determination contains full findings of fact and reasons for the determination, as required under section 949AJ(6) of the TCA 1997.

Notification

27. This determination complies with the notification requirements set out in section 949AJ of the TCA 1997, in particular section 949AJ(5) and section 949AJ(6) of the TCA 1997. For the avoidance of doubt, the parties are hereby notified of the determination under section 949AJ of the TCA 1997 and in particular the matters as required in section 949AJ(6) of the TCA 1997. This notification under section 949AJ of the TCA 1997 is being sent via digital email communication **only** (unless the Appellant opted for postal communication and communicated that option to the Commission). The parties will not receive any other notification of this determination by any other methods of communication.

Appeal

28. Any party dissatisfied with the determination has a right of appeal on a point or points of law only within 42 days after the date of the notification of this determination in accordance with the provisions set out in section 949AP of the TCA 1997. The Commission has no discretion to accept any request to appeal the determination outside the statutory time limit.



Simon Noone
Appeal Commissioner
25 February 2025