
Tax E-News

Welcome to our latest monthly tax newswire. We hope you enjoy reading this newsletter and find it useful. Contact us if you wish to discuss any issues further.

April 2022



Taxation of Couriers

Are couriers employed or self-employed?

In order to determine the employment status of a courier (whether he or she is employed or self-employed) it is necessary to examine each case by reference to case law and the Code of Practice for Determining Employment or Self-Employment Status of Individuals.

The facts of each case will determine whether an individual is either an employee or self-employed. A worker's employment status is not a matter of choice; it depends on the terms and conditions of the job. A contract of services applies in the case of an independent or self-employed contractor.

Return of Income

All motorcycle and bike couriers engaged under a contract for

service i.e., self-employed individuals, are required to fulfil their self-assessment obligations and are obliged to file a tax return and account for all their income in their tax return.

Self-employed individuals may make a claim for the earned income credit.

Earned Income Credit

The Earned Income Credit is available since 1 January 2016. It is allowed in respect of the pay that you earn. It is a separate credit to the Employee Tax Credit in that it can also be claimed by people who are self-employed. You may have income that qualifies for the Employee Tax Credit and the Earned Income Tax Credit. If so, the combined value of these credits cannot exceed the maximum value of the Employee Tax Credit. This credit cannot be transferred to your spouse or civil partner.

Certain businesses are required to file a Form 46G return to Revenue containing details of payments made by them to third parties for services provided. This return must be filed with the annual tax return.

Expenses

All self-employed couriers may make a claim for any

expenditure incurred wholly and exclusively for the purpose of their courier business.

'Voluntary' PAYE

A small number of courier firms continue to implement a 'voluntary' PAYE system of tax deduction to help self-employed couriers comply with their tax obligations, and Revenue is prepared to agree that this arrangement may continue for the present. Tax/USC/PRSI should be applied on the gross income with no flat rate expense deduction.

Van Owner Driver Couriers

In order to determine the status of van owner driver couriers, it is necessary to examine each case by reference to case law and the Code of Practice for Determining Employment or Self-Employment Status of individuals.

Whilst the facts of each case will determine whether an individual is either an employee or self-employed, Revenue is of the view that, in general, van owner driver couriers are engaged under a contract for service i.e., they are self-employed individuals

Self-employed individuals pay their income tax directly to the Collector General through the

self-assessment system,
whereas employees have their
earnings taxed by their
employer through the PAYE
system.

Content accurate as at
30.03.2022

KEY FILING DATES - April 2022

TAX HEAD	RETURN	PERIOD	PAYMENT & FILING DATE
Dividend Withholding Tax	DWT	March 2022	14 th April 2022
Professional Services Withholding Tax (PSWT)	F30	March 2022	14 th April 2022
PAYE/PRSI/USC/LPT	Monthly Deductions	March 2022	23 rd April 2022
Corporation Tax	Preliminary tax	Accounting periods ending 31 st May 2022	23 rd April 2022
Corporation Tax	Corporation Tax Return (Form CT1)	Accounting periods ending 31 st July 2021	23 rd April 2022
Relevant Contracts Tax (RCT)	RCT Monthly Return	March 2022	23 rd April 2022
Corporation Tax	Returns of Third-Party Information (Form 46G)	Accounting periods ending 31 st July 2021	23 rd April 2022
Corporation Tax	Close companies with undistributed profits	Accounting periods ending 31 st October 2020	30 th April 2022

Content accurate as at 30.3.2022