

Surcharge for late submission of income tax, corporation tax and capital gains tax returns

Part 47-06-08

Please consult the [COVID-19 pages on the Revenue website](#) for further information in relation to the subject matter of this manual.

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1 Surcharge for late submission of income tax and corporation tax returns

NB – The application of a surcharge for late CT1 Corporation Tax returns for accounting periods ending 30 June 2019 onwards - that is, returns due from 23 March 2020 onwards – was suspended until 1 July 2021. The late filing surcharge will apply as normal to CT1s filed for accounting periods ending October 2020 onwards and iXBRL financial statements filed for accounting periods ending July 2020 onwards¹.

Section 1084 Taxes Consolidation Act 1997 (TCA) imposes a surcharge on any taxpayer, whether an individual or a company, for the late filing of a tax return, that is, the filing of the return of income after the specified return date for the chargeable period². If a return is not submitted by the specified return date, the tax liability arising for the year of assessment or accounting period, after credit for PAYE already paid but before credit for tax paid directly, will be increased by the amount of the surcharge even though the tax may have been paid in full and on time.

For income tax, the return is due on 31 October of the year following the year of assessment. This is extended to mid-November where the taxpayer files via ROS.

Where a company's accounting period ends on a day before the 21st day of a month, it must file a return of its income on a Corporation Tax Return (CT1) nine months after the end of the accounting period.

Example 1: for an accounting period ending on 5 December 2023, the return must be filed on or before 5 September 2024.

Where the company's accounting period ends on or after the 21st day of a month, the return of its income must be filed by the 21st day of the ninth month after the end of the accounting period.

Example 2: for an accounting period ending on 31 December 2023, the return must be filed on or before 21 September 2024.

Where a CT1 and payment are filed through ROS, the filing date that would otherwise have been 21st of the month is extended to the 23rd of the month.

Failure by a company to file a return on time will lead to restrictions under section 1085 TCA of reliefs which otherwise would be available to the company, as well as a surcharge under section 1084 TCA.

¹ A CT1 Corporation Tax return may have been completed without the restriction of reliefs only where it was filed late but before 1 July 2021, and the late filing was due to Covid-19 circumstances. See [TDM 47-06-04](#) for further information.

² 'Specified return date for the chargeable period' is defined in section 959A TCA.

Tax and Duty Manual [Part 47-06-03](#) deals with the interaction between tax paid under the PAYE system and the surcharge on late returns by company directors.

2 Surcharge and penalty for an incorrect return

Where a taxpayer deliberately or carelessly delivers an incorrect return on or before the specified return date, the taxpayer will be deemed to have failed to deliver the return on time, unless the error in the return is corrected before the specified return date³.

However, where a taxpayer deliberately or carelessly delivers an incorrect return on time in the first instance and a penalty is applied under section 1077E or 1077F TCA, as applicable, for the incorrect return, a surcharge under section 1084 will not also be imposed⁴. This applies with effect from 23 December 2014.

3 New businesses

In the case of a new business, the surcharge only applies to delays in filing from the second filing date of the business. This does not apply to new businesses where the promoter or owner has an existing business, or where that person's spouse or civil partner has an existing business in respect of which both spouses or civil partners are jointly assessed to tax.

4 Surcharges for capital gains tax

The due date for filing a return of capital gains realised in a tax year is 31 October of the year following the year of assessment in which an asset or assets are disposed of. The Form 11 contains a section on which chargeable gains can be returned by the taxpayer.

The surcharge is calculated as a percentage of the tax due.

If a taxpayer is not a chargeable person for income tax purposes and is not required to file a Form 11, but is a chargeable person for capital gains tax (CGT) purposes, they are required to file a Form CG1. If the CG1 form is filed late, a surcharge will apply, at the same rates as for income tax and corporation tax (see below).

5 Calculation of the surcharge

The surcharge is a percentage of the total tax payable for the year of assessment or accounting period (in the case of income tax, after credit for PAYE already paid) for which the return is late. The percentage amount is set according to the length of the delay in filing. The amount of the surcharge is also subject to an overall cap.

The surcharge is calculated as follows:

³ Section 1084(1)(b)(i)(I) TCA

⁴ Section 1084(1)(b)(i)(II) TCA

- 5% of the tax liability for the year of assessment or accounting period to which the tax return relates, subject to a maximum of €12,695, where the tax return is delivered within two months of the filing date.
- 10% of the tax liability for the year of assessment or accounting period to which the tax return relates, subject to a maximum of €63,485, where the tax return is not delivered within two months of the filing date.