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Employment Taxes Alert

Real Time Foreign Tax Credit

Revenue have recently issued an eBrief (119/15), which sets out the criteria and procedures in order to obtain real-time foreign tax relief through the Pay As You Earn (PAYE) system.

This comes about after representations were made to Revenue in this area by the Irish Tax Institute, which Deloitte took part in. This will alleviate the cash-flow burden experienced where an employee who performs some of the duties of the employment abroad also triggers a simultaneous foreign tax withholding in that foreign jurisdiction.

Criteria

The provisions will only apply to individuals who are:

- Tax resident in Ireland and
- Employed by an Irish employer and
- Employed under an Irish contract of employment and
- Who exercise some of the duties of the employment abroad and
- Who are subject to a simultaneous deduction of both Irish and foreign tax.

In addition, the foreign tax suffered must be non-refundable.

Where these criteria are met, Revenue will, on a case-by-case basis, consider an application for provisional tax relief in respect of the foreign tax through the PAYE system. Prior to the

introduction of these measures, relief for foreign tax paid was only allowed by way of a claim at year-end.

For more information regarding the procedures for granting the foreign tax relief, shadow payroll considerations and what the next steps are on this topic visit our webpage [here](#).

Employer Share Scheme Reporting

There are several year-end reporting obligations for employers who operate share schemes for their employees. The obligation exists for share option schemes, Save As you Earn schemes and Approved Profit Sharing schemes.

Separate filings are required for each scheme and the deadline for each of these is 31st March each year.

For more information on employer share scheme reporting obligations visit our website [here](#).

The Global Employer Services team in Deloitte would be happy to provide you with further assistance and support in respect to the new real-time foreign tax credit guidelines and employer share scheme reporting.

Kind regards,



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