

24th March 2009

Deadline looming for Rectifying RCT Errors



Act now to ensure reduced penalties can be obtained where Relevant Contracts Tax (RCT) errors have been made by principal contractors in the Construction, Wood Processing and Meat Processing industries.

At this stage, Forms RCT 35 for 2008 should be filed with Revenue by principal contractors. On the completion of this return, many businesses in the Construction, Wood Processing and Meat Processing industries have discovered errors. These errors include gross payments being made without a relevant payments card in place with the sub-contractor or payments made by principal contractors in excess of the limit identified on a payments card.

“Such errors are of great concern to businesses given the increasing number of Revenue Audits being carried out and the fact that quite often the quantum of tax, interest and penalties which arises on such errors is very penal and can of course adversely affect cashflow” said Maria Downey, VAT Manager, Russell Brennan Keane.

“However, there is a window of opportunity whereby a self correction can be availed of and the exposure to a liability confined to €950 per sub-contractor or €3,000 if the error occurred after 24th December 2008” continued Maria.

The deadline for availing of this facility is 27th March 2009. Like most facilities a number of criteria must be satisfied, namely:

1. The subcontractor concerned had a C2 card
2. There has been an **exceptional** failure to deduct RCT
3. The circumstances are such that an overall loss of revenue is improbable and
4. The qualifying disclosure is made to Revenue before 27th March 2009.

If you require any further information or assistance on how to avail of this facility, please contact Maria Downey, VAT Manager at 090 6480600 or E-mail at mdowney@rbk.ie.

ENDS

About RBK

Russell Brennan Keane is one of Irelands leading business advisory and accountancy firms. With 50 years experience providing professional advisory services to a range of clients in the mid to large corporate market in Ireland, and an extensive client base served from offices in Athlone, Dublin and Roscommon.

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