ONESOURCE CORPORATE TAX

IRELAND RELEASE NOTES

August 2024

Document Version 1

THOMSON REUTERS®

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DOCUMENT HISTORY

VERSION NUMBER	VERSION DATE	SUMMARY
1	16/08/2024	ONESOURCE Corporate Tax v17.0 release

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RELEASE SUMMARY

For documentation and other product information, search the Customer Center.

This release is primarily to provide the new packs supporting computation and group templates for periods ending in 2024, although updated packs for periods ending in 2023 are also included.

We have included a number of legislative and schema updates, details of which are included in the notes that follow:

- R&D credit updates in respect of claims under the 'old rules' (i.e. claims made under section 766 and/or section 766A) and claims under the 'new rules' (i.e. claims made under section 766C and/or section 766D).
- Support for the reporting requirements under Chapter 5 Part 33 'Outbound payments defensive measures'.
- Support for interest paid to partnerships and tax transparent entities without the deduction of Income Tax.
- Support for additional information required for non-resident landlords.
- Support for multiple group payments in respect of Interest Limitations.

There is an issue with running the Tax Logic Update on 2024 Early Build files containing the Interest Limitation sheets, further details are included in the notes that follow.

Furthermore, over the last few years, Thomson Reuters has been enhancing account security to ensure the best protection for customers; as such, Thomson Reuters has been implementing MFA for all customers. As part of this release, Thomson Reuters will be enforcing MFA; currently, it is available as an 'opt-in' feature. Customers will be able to 'opt out' of this newly enforced MFA feature. Please note that MFA is applicable at the client level and not at the user level. Therefore, if you 'opt-out,' it will be disabled for all user accounts under your client profile. If you wish to 'opt out,' please contact your customer support team.

You may also opt out from MFA online by opening a support ticket here: tax.thomsonreuters.com Signon.

Unless otherwise stated, all changes detailed are available for 2024 files only.

FORM CT1 UPDATE

<table>
<tr><th>AREA OF CHANGE</th><th>DETAILS AND LIMITATIONS</th></tr>
<tr><td>New CT1 forms</td><td>
We have updated ONESOURCE to include the latest version of the Corporate Tax return (Form CT1) and associated e-filing rules and validations for 2023 and 2024. An error message will appear on existing unsubmitted 2023 files prompting you to erase and re-develop the return forms.
There are a number of changes in the 2024 return, requiring changes to other computation sheets. These changes are described below.
IMPORTANT NOTE
We are discovering, and being made aware of, an increasing number of e-filing issues on ROS's side, particularly relating to validations in the RPF. We report all issues to ROS, and we will continue to monitor these issues for resolution.
We are still experiencing a longstanding e-filing validation error in relation to the interest limitation section, when the following scenario is present:

The company is not a standalone entity;
The company is not a member of an interest group;
The de minimis exemption does not apply.

Unfortunately, despite our best efforts to push for resolution of this issue with the Revenue, the issue is currently still present for 2023 and 2024 files.
There are a number of new issues relating to the Research & Development panel in the RPF, following recent updates made by ROS. These include:

Where the 30% rate applies to the current period section 766C R&D credit, the validation for the calculation of the first instalment is incorrect, using €25,000 instead of €50,000 (2024 only).
Fields that are not uploaded to, or saved by, the RPF:

Employee details in respect of the field 'Amount of credit included that has been surrendered in accordance with Sec. 766(2A)' (2023 only);
The tax reference numbers of predecessor companies in respect of section 766 (2023 only);
'Please tick the box to confirm that the building or structure, which was the subject of the claim by the predecessor company, has been transferred to the successor company in accordance with Sec. 766A(3A)' (2023 and 2024).

In the Section 766C panel, there are validation errors when the amount of credit calculated as a percentage of expenditure, or the amount of excess credit claimed/surrendered as a percentage of qualifying group expenditure, is not an exact number.

Please contact the ONESOURCE Support Team if you have any concerns or need any assistance.
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AREA OF CHANGE	DETAILS AND LIMITATIONS
Research & Development – claims under Sec. 766C and Sec. 766D	The following changes have been made to the 'new rules' R&D sheets: **Research and Development Expenditure Credit Sec. 766C** • In respect of subcontracted expenditure, a tickbox has been added to confirm whether or not the subcontractor has been notified. • An error message appears if the amount of qualifying group expenditure surrendered to the company, or to another group company, is not a multiple of 4. This is because ROS currently require these fields to be a multiple of 4 so that the corresponding excess credit is a whole number (see previous page). • Where the accounting period and relevant period do not coincide, the allocation of expenditure between relevant periods has been corrected. • These changes have also been made in new and existing 2023 files. **Research and Development Expenditure Credit Summary Sec. 766C** • Support for the 30% tax credit rate, for accounting periods beginning on or after 1 January 2024. • A tickbox has been added to confirm if the company has completed the pre-filing notification to Revenue (if applicable). • A new **R&D - Successor Claim Under Sec. 766C And Sec.766D** sheet, developable from the **Information For The Return** sheet, has been added to provide relevant details in respect of successor credits that have been transferred in. • Additional sections have been added to the sheet in respect of claims to third instalments. • A validation has been added at the bottom of the sheet to ensure that the total R&D credit claim matches the instalment details entered. **Research and Development Capital Credit Sec. 766D** • Support for the 30% tax credit rate, for accounting periods beginning on or after 1 January 2024. • A tickbox has been added to confirm if the company has completed the pre-filing notification to Revenue (if applicable). • As above, a new **R&D - Successor Claim Under Sec. 766C And Sec.766D** sheet, developable from the **Information For The Return** sheet, has been added to provide further details in respect of successor credits that have been transferred in. • Additional sections have been added to the sheet in respect of claims to third instalments. **Research and Development - Excess credit under Sec. 766C and Sec.766D** • New tables have been added to deal with third instalment excess R&D credits claimed/surrendered under Sec. 766D(2).

<table>
<tr><th>AREA OF CHANGE</th><th>DETAILS AND LIMITATIONS</th></tr>
<tr><td></td><td>A clearable error has been added at the bottom of the sheet if any of the tables contains more rows than is supported in the e-filing schema.</td></tr>
<tr><td>Research & Development – claims under Sec. 766 and Sec. 766A</td><td>The following changes have been made to the ‘old rules’ R&D sheets:
Research and Development Expenditure Credit Summary
Rows relating to current period claims and transitional measures have been removed for accounting periods beginning on or after 1 January 2023.
Research and Development Capital Credit
Rows relating to current period claims and transitional measures have been removed for accounting periods beginning on or after 1 January 2023.</td></tr>
<tr><td>Outbound payments</td><td>To assist with the completion of the new section in the Form CT1 for the reporting requirements under Chapter 5 Part 33, a new Outbound payments sheet is developable from the Information For The Return sheet.

There is a new tickbox on the Information For The Return sheet regarding these disclosures; if ticked Yes then you will prompted to develop the Outbound payments sheet.

We are aware of two e-filing issues relating to this section in the RPF, namely:
Only one payment can currently be submitted.
Any text entered into the ‘Other details’ field is currently not being saved.</td></tr>
<tr><td>Interest paid to partnerships and tax transparent entities without the deduction of Income Tax</td><td>To assist with the completion of the new section in the Form CT1 for the reporting requirements where the practice set out in Paragraph 5.3 of Tax and Duty manual 08.03.06 has been applied in making a payment of interest to a partnership or tax transparent entity, a new Payment of interest to partnerships and tax transparent entities sheet is developable from the Information For The Return sheet.

There is a new tickbox on the Information For The Return sheet regarding these disclosures; if ticked Yes then you will prompted to develop the Payment of interest to partnerships and tax transparent entities sheet.</td></tr>
<tr><td>Non-resident landlords</td><td>The Non-resident landlord tenants sheet has been updated for the new ‘Gross value of the Rental Income subject to NLWT’ and ‘Gross value of NLWT deductions’ fields.

The ‘Gross value of NLWT deductions’ will be shown at the bottom of the Corporation Tax Computation sheet as an NLWT Credit to match the disclosure in the RPF.</td></tr>
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Interest Limitations – group payments	In the 2023 Form CT1, where a company had made payments for amounts allocated to it under section 835AAL it was only possible to file the details of one such payment. The **Interest Limitation – Detailed sheets** included an **Interest group payments** sheet, where multiple payments could be entered but with a review note stating that only the first payment would be reported in the Interest Limitation section of the CT1. In the 2024 Form CT1, it is now possible to file multiple such payments. To assist in this disclosure, the **Interest group payments** sheet is now developable from the **Interest Limitations** sheet without the need to first develop the detailed sheets.
Carry back of losses	The 2024 Form CT1 removes the sections relating to the temporary interim loss carry back claim rules under section 396D. This information has therefore been removed from the **Information For The Return** sheet.

OTHER CHANGES

AREA OF CHANGE	DETAILS AND LIMITATIONS
Research & Development – Other changes	On the **Self Assessment Made Under Chapter 4 Of Part 41A** sheet, the amounts of 'Research and Development credit' and 'Research and Development Cash Refund' are now retrieved from ROS when the computation is validated, and an error message will display if the amounts retrieved differ to the amounts calculated in the computation. The **Group Relief Claimed** sheet has been amended so that any R&D claimed is required to be split between 'old rules' and 'new rules'. These changes have also been made in new and existing 2023 files. Additionally, the series of R&D overpayment/repayable/refund entries at the bottom of the **Corporation Tax Computation** sheet have been amended to show as negative figures, to distinguish them more clearly from the additional tax charges, such as the Directors' loan tax and any income tax charges.
Finance leases	The **Finance Leases** sheet has been updated for users to enter the following amounts per lease: • Total lease rental expense (over life of lease) • Duration of lease (years) This information will be rolled forward to future periods. Additionally, a new **Finance Leases – Lessors** sheet has been created to allow finance lease lessors to track lease information and calculate tax adjustments. The layout of the new sheet is based on the existing **Finance Leases** sheet. Lease income categorised as such in the income statement analysis sheets is brought into the sheet and sent onto the **Adjustment of profit** sheet(s) as a reduction in trading profits. The table on the sheet calculates the amount of taxable lease income, which is sent to the **Adjustment of profit** sheet(s) as an increase to trading profits.
Leasing loss changes	Changes have been made to the **Losses Summary** and **Group Relief Surrendered** sheets to deal with the fact that a trading loss in a leasing trade is only 'restricted' to the extent that it represents excess specified capital allowances, and that any trading loss not attributable to excess specified capital allowances should be treated as a general trading loss. On the **Losses Summary** sheet, the 'Total Leasing' column has been renamed 'Total Restricted leasing Allowances' and now includes excess specified capital allowances only. Any residual 'unrestricted' leasing losses remain in the 'Total Trade Losses' column. On the **Group Relief Surrendered** sheet, the 'Leasing Losses' column now only brings through the total excess specified capital allowances from the **Losses Summary** sheet. These changes have also been made in new and existing 2023 files.

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Reconciliation to RA2	On the **Corporation Tax Computation** sheet, a new 'Reconciliation to Self-assessment' section has been added below 'Net corporation tax payable', which reconciles the 'Net corporation tax payable' with the 'Balance of tax payable/(overpaid) for this period' that is shown on the **Self Assessment Made Under Chapter 4 Of Part 41A** sheet. By default this reconciliation will print in final mode, but it can be set to print in review mode only by unticking the 'Print reconciliation to Self-assessment in final?' tickbox. This reconciliation has also been added to new and existing 2023 files.
Charges	If the currency of the **Charges** sheet has been changed from Euros, but individual charges are to be converted at spot rates, this has previously required users to calculate a single blended exchange rate in order to present the total in Euros on the **Profit Summary** and **Loss Summary** sheets. To assist with this, we have added separate Euros columns on the **Charges** sheet so that each charge can be converted to Euros at separate spot rates, with the total being used to take figures to the **Profit Summary** and **Loss Summary** sheets. These additional columns are optional and are hidden by default, but will be displayed if the 'Display Euro columns for allowable charges?' box is ticked.
Trading losses offset against balancing charges	On the **Self Assessment Made Under Chapter 4 Of Part 41A** sheet, the 'Amount of profits or gains chargeable to tax for this period' has been amended so that where a trade has both a loss before balancing charges and one or more balancing charges, the offset of the trading loss against the balancing charges is not included in the amount of profits. This is then consistent with the RPF (which shows the offset as a separate deduction) and avoids the need to enter a reason for disagreement.
Other changes	In additional to the changes described above, the following error corrections and enhancements have been made: • On the **Disclosable transactions** sheet, transaction/reference numbers entered on the sheet will now roll forward to the following period. In addition, a clearable error will appear in the following period to prompt the user to only resubmit prior period data if necessary. New and existing 2023 files have been amended to allow data to be rolled forward. • An 'Analysis by category' table has been added to the **Plant and Machinery** sheet. The table will be hidden unless the 'Show analysis by category below' box is ticked. • It was noted that the **Extract From Accounts** sheet was being populated with accounts data even when the company was submitting iXBRL accounts (although the data was corrected excluded from the efiling output). To avoid confusion, this has been corrected so that the **Extract From Accounts** sheet only shows accounts data if iXBRL accounts are not being submitted.

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	• On the **Capital Gains Summary** sheet, capital losses brought forward were only displaying in final mode if there were further capital losses arising in the period or if some of the brought forward losses were being utilised in the period. This has been corrected so that capital losses brought forward will always display in final mode. • It was noted that entries in the 'Other capital allowances (including patent rights) and relief for know-how under Sec. 768' field were not being included in the e-filing output in the second period of a long file. This has been fixed for 2023 and 2024 files. • It was noted that restricted trade and non-trade charges that were being claimed or surrendered as group relief in the second period of a long file were not feeding up into the group module. This has been corrected.

TAX LOGIC UPDATE

AREA OF CHANGE	DETAILS AND LIMITATIONS
Interest Limitation	An error can occur when running the Tax Logic Update on 2024 Early Build files where the detailed Interest Limitation sheets have been developed into the files. To avoid any issues with the Tax Logic Update process we recommend copying the data from the detailed Interest Limitation sheets into free-format sheets prior to deleting the sheets before running the Tax Logic Update. The data can then be pasted into the file once the process has been run.