ONESOURCE CORPORATE TAX

IRELAND RELEASE NOTES

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Document Version 1

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DOCUMENT HISTORY

VERSION NUMBER	VERSION DATE	SUMMARY
1	10/08/2023	ONESOURCE Corporate Tax v16.0 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 Form CT1, Form 46G and group templates for accounting periods ending in 2023, although updated packs for periods ending in 2022 are also included.

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

The notes are structured to focus on functional areas of change, rather than changes made to individual modules. Unless otherwise stated, all changes detailed are available for 2023 files only.

FORM CT1 UPDATE

AREA OF CHANGE	DETAILS AND LIMITATIONS
New CT1 forms	We have updated ONESOURCE to include the latest version of the Corporate Tax return (Form CT1) and associated e-filing rules and validations for 2022 and 2023. An error message will appear on existing 2022 files prompting you to erase and re-develop the return forms. There are a number of changes in the 2023 return, requiring changes to other computation sheets. These changes are described below. **IMPORTANT NOTE** We are still experiencing an e-filing validation error in 2022 and 2023 returns 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 still present. Please contact the ONESOURCE Support Team if you need any assistance in this matter.
Company Details – Mandatory online filing questions	The question 'Is the company part of a multinational group?' was previously an optional question within the Transfer Pricing section. From 2023, this question is mandatory, and if answered yes then the ultimate parent entity's name and jurisdiction for tax purposes must also be provided.
Trading Results	The 'Industrial Buildings' section within the 'Trading Results' panel has been renamed 'Industrial Buildings / Farm Buildings'. The section also includes new fields for allowances claimed in respect of either farm buildings or slurry storage. Allowances can be claimed in respect of these new fields by using the new 'Category' dropdown on the **Industrial Building Allowances** sheet. Where farm buildings or slurry storage are selected, you will need to ensure that the rate of allowance is amended accordingly.
Irish Investment & Other Income – Patent rights	To assist with the completion of the new section in the Form CT1 for patent rights, a new **Patent Rights – Transactions involving Capital Sums** sheet is developable from the **Information For The Return** sheet. Any amounts entered that are chargeable under s757 in the current period will be taken to the **Corporation Tax Computation** and **Profit Summary** sheet as Case IV income and taxed at 25%.

<table>
<tr><th>AREA OF CHANGE</th><th>DETAILS AND LIMITATIONS</th></tr>
<tr><td>Irish Investment & Other Income – Digital Games Corporation Tax Credit</td><td>A new Digital Games Corporation Tax Credit sheet has been created to deal with new section in the Form CT1.

The relief can only be claimed in an amended return, which cannot be done through third party software. In order to make an amended return, this must be done through ROS by physically amending the company's ROS record.

The sheet is developable from the Corporation Tax Computation sheet, but requires a password as details should not be entered until after the return has been e-filed.</td></tr>
<tr><td>Research & Development Tax Credit</td><td>Finance Act 2022 introduced changes to the payment of R&D tax credits. The rules apply for accounting periods commencing on or after 1 January 2023, but for earlier accounting periods companies can choose whether to make their R&D tax credit claim under the new rules or the old rules.

As of the date of release, neither the 2022 Form CT1 nor the 2023 Form CT1 had been updated to deal with R&D tax credits claims under the new rules. Following discussions with the Revenue, we understand the position to be as follows:

2022 R&D tax credit claims

The Revenue have stated that the only change to the 2022 Form CT1 in respect of R&D will be to include a tickbox for the company to state whether the R&D tax credit claim is under the new rules or the old rules.

Claims under the old rules will be completed as normal through the Form CT1. Claims under the new rules will need to be made through a ‘specified form’.

2023 R&D tax credit claims

The amended 2023 Form CT1, once it has been released, is expected to contain new sections to deal with R&D tax credit claims under the new rules.

Once the amended 2022 and 2023 Form CT1 have been released, we will release a patch to deal with claims under the new rules.</td></tr>
<tr><td>Dividend Withholding Tax</td><td>The non-resident tax reference on the DWT details sheet has been increased from a 12-character limit to a 64-character limit for distributions made after 31 December 2022.</td></tr>
</table>

OTHER CHANGES

AREA OF CHANGE	DETAILS AND LIMITATIONS
Interest limitation – New sheets	This release includes a set of optional sheets that will perform the necessary calculations, for either a single company or an interest group, to determine whether there is an interest disallowance in the period. The sheets are available in new 2023 files, and in new and existing 2022 files. The new sheets are developable from the existing **Interest Limitations** sheet, under the option **Interest Limitation – Detailed sheets**. This inserts the following sheets: **Company details** This sheet contains a number of initial questions regarding the company's status for interest limitation purposes, and includes sections for disclosing interest in respect of legacy debt and of long-term public infrastructure exemption. **Interest equivalent** In this sheet the user will need to enter details of interest and interest equivalent amounts, including in respect of finance leases and non finance leases. Where the company is the reporting company of an interest group (see below), this sheet must be completed for the whole interest group. **Group rules** This sheet can be completed to determine if the equity ratio rule or the group ratio rule applies. **ILR calculation** This sheet performs the main interest limitation calculations to determine whether an interest disallowance applies. Where the sheet has been completed by the reporting company of an interest group, the disallowable amount is calculated for the group; the allocation of this disallowable amount is done automatically on a pro-rata basis, but can be overridden if required. For companies that are a member of an interest group but not the reporting company, there is a single field on the sheet to enter any amounts allocated to it by the reporting company. **Revised tax computation** Where there is a net disallowable amount for the company/group, this sheet can be used to show the impact of the disallowance on taxable profits, including the increase in tax payable due to the interest limitation. **Carry forwards** This sheet tracks deemed borrowing costs brought forward and carried forward, and total spare capacity brought forward and carried forward. **Details of group members** This sheet must be separately developed from the **ILR – Company details** sheet for reporting companies of an interest group. A column should be inserted for each group member, and the information for each company

<table>
<tr><th>AREA OF CHANGE</th><th>DETAILS AND LIMITATIONS</th></tr>
<tr><td></td><td>entered on the ILR sheets. This will allow the interest limitation calculations to be performed at a group level.

Interest group payments

This sheet is separately developable from the ILR – Company details sheet. It can be used to enter details of any payments made by the company for amounts allocated to it under Sec. 835AAL. Please note that although a company may have made more than one such payment in the period, schema restrictions mean that only the first payment will be reported in the Form CT1. Any further payments should be reported as additional comments.

Other points to note

The new ILR sheets do not yet interact with the rest of the computation; this will be dealt with in a future release. Therefore the taxable profits in the ILR calculation sheet must be entered manually, and any calculated interest disallowance must also be entered manually in the relevant schedule. Where the interest disallowance is in respect of Case I interest, a new 'Interest disallowance' row has been added into the Adjustment of profit sheet to assist with this.

Where the company is the reporting company of an interest group, the existing Interest group summary will still need to be developed and completed even when the detailed ILR sheets have been developed.

As mentioned on page 6, an e-filing validation error is still being seen in 2022 and 2023 returns when the interest limitation sheets have been developed, the company is not a member of an interest group and the de minimis exemption does not apply.</td></tr>
<tr><td>Tax logic update improvements</td><td>Improvements have been made throughout the packs to the Tax Logic Update (TLU) process, in order to reduce the amount of data lost when TLU is run on early build files.

For most sheets, this will apply from when 2024 early build files are updated into 'proper' 2024 files after the release next year. However, for the following sheets, existing 2023 early build files have been updated so that no data should be lost when running TLU:

Capital allowances
• Plant And Machinery

Balance sheet
• Provisions
• Pensions
• Finance Leases

Profit and Loss
• Management Expenses
• Medical Premiums Paid
• R&D Capital Credit
• R&D Expenditure Credit</td></tr>
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AREA OF CHANGE	DETAILS AND LIMITATIONS
	• R&D Expenditure Credit Summary • Claim for payment of excess R&D Tax Credit Group relief • Group relief claimed • Group relief surrendered Information for the return • Investment Company Surcharge payable in current period • Investment Company Surcharge payable in future period • Professional Services Surcharge payable in current period • Professional Services Surcharge payable in future period • Section 110 companies • Joint elections under Sec. 615 or Sec. 617 • DWT details ROS • Extract from accounts
Claims and elections	We have a new **Claims and Elections** sheet, developable from either the **Corporation Tax Computation** or the **Information For The Return** sheet. The sheet is not comprehensive but contains a number of common claims and elections that may apply. The sheet is a working paper only and so will not appear when the computation is printed in final. At this stage the sheet does not link to the rest of the computation, but this will be considered for a future release.
Status	We have added 'Amended' to the list of file statuses. This new status will be available for all new and existing files for all years.
Other changes	In addition to the corrections noted above, the following error corrections and enhancements have been made for new 2023 files: • On the **Losses Summary** sheet, there was an issue noted where a company had both a trading loss utilised on a value basis and a group relieved trading loss utilised on a value basis, which caused the wrong amount of trading loss to be carried forward. This has now been corrected. • Validation errors have been added on the **Information For The Return** sheet to prevent a name greater than 40 characters being entered for either the parent within the 'Group information' section or the group's ultimate parent entity within the 'Mandatory online filing questions' section. • The **Start up relief** sheet is now optional and can be developed from the **Corporation Tax Computation** sheet.

AREA OF CHANGE	DETAILS AND LIMITATIONS
	• The 'Total Group Relief claimed' box in the 'Trade Profits at 12.5%' section now excludes excepted trade losses that have been claimed via group relief and utilised against non-trading profits. • Where a date has been entered on the **Director and participator advances** sheet, the date will only appear in the 'Amendment to Prior Accounting Period' section of the return if there has been an amount repaid in the period.