

IRELAND DOMESTIC REVERSE CHARGE

NEW AUTHORITY GUIDE

THOMSON REUTERS TAX RESEARCH
SEPTEMBER 2020 CONTENT UPDATE #1

Introduction

The authority of Ireland Domestic Reverse Charge has been added to ONESOURCE Determination, including rates, catch-all rules and cross-border logic. It has been created in accordance with the Ireland VAT Act to account for Domestic Reverse Charge on the sale of some of the specific products listed in Section 16 of the referred legislation.

The reverse charge for the specific Goods will be driven by the establishment of the buyer in the Ship From location. Therefore, in order to trigger the Domestic Reverse Charge authority, it is necessary to set the establishment of the buyer in the Ship From location to "Yes".

As for the specific Services products, the Domestic Reverse Charge authority will require Physical Performance or Customer Location Services transaction type and will be triggered by the Tax Code of "DRC".

PART I – UPDATES TO DETERMINATION

Zone

The authority of Ireland Domestic Reverse Charge has been attached to the country-level zone of Ireland.

ZONE NAME	PARENT ZONE	ZONE LEVEL	3-CHAR CODE	DEFAULT PRODUCT GROUP
IRELAND	EUROPEAN UNION	Country	IRL	Harmonized

Registration Mask

The following registration mask was added:

REGISTRATION MASK
<code>^IE\d{7}[A-Z]{1,2}\$ ^IE\d[A-Z]\d{5}[A-Z]\$ ^IE\d\W\d{5}[A-Z]\$ ^EU</code>

Authority Options

NAME	CONDITION	VALUE	START DATE
AT - Ancillary Transport Services Reverse Charge	Not Applicable	Not Applicable	01/01/1901
Chain transaction Transport	None	Either	01/01/1901
CL - Customer Location Reverse Charge	Both	Registration Required	01/01/1901
CR - Registration Required	Both	Registration Required	01/02/1901
DS - Default Services Reverse Charge	Not Applicable	Not Applicable	01/01/1901
ER - Establishment Required	None	Yes	01/01/1901
ES - Electronic Services Reverse Charge	Not Applicable	Not Applicable	01/01/1901
Filling Groups Goods	None	Yes	01/01/1901
Filling Groups Customer Location Service	None	Yes	01/01/1901
Filling Groups Physical Performance	None	Yes	01/01/1901
GS - Goods Reverse Charge	Domestic Transaction	Registration Required	01/01/1901

NAME	CONDITION	VALUE	START DATE
Intra-Company tax free sale - Goods	None	Yes	01/01/1901
Intra-Company tax free sale - Customer Location Service	None	Yes	01/01/1901
Intra-Company tax free sale - Physical Performance	None	Yes	01/01/1901
PP - Physical Performance Reverse Charge	Domestic Transaction	Registration Required	01/01/1901
PRL - Parent Registration Lookup	None	Yes	01/01/1901
SI - Supplied and Installed Reverse Charge	Not Applicable	Not Applicable	01/01/1901
Turn Off Authority	None	Yes	01/01/1901
Triangulation Simplification	None	Not Registered in Ship To	01/01/1901
TS - Transport Services Reverse Charge	Not Applicable	Not Applicable	01/01/1901
UE - Used and Enjoyed	Not Applicable	None	01/01/1901
WG - Work on Goods Reverse Charge	Not Applicable	Not Applicable	01/01/1901

Authority Specific Messages

The following messages have been adjusted in the authority of Ireland Domestic Reverse Charge:

DPI	NEW MESSAGE
EUBG16	Domestic Reverse Charge - Section 16 of the Value-Added Tax Consolidation Act 2010
EUBG25	Domestic Reverse Charge - Section 16 of the Value-Added Tax Consolidation Act 2010
EUSG14	Domestic Reverse Charge - Section 16 of the Value-Added Tax Consolidation Act 2010
EUBPP1	Domestic Reverse Charge - Section 16 of the Value-Added Tax Consolidation Act 2010
EUBPP2	Domestic Reverse Charge - Section 16 of the Value-Added Tax Consolidation Act 2010
EUSPP1	Domestic Reverse Charge - Section 16 of the Value-Added Tax Consolidation Act 2010
EUBCL1	Domestic Reverse Charge - Section 16 of the Value-Added Tax Consolidation Act 2010
EUBCL2	Domestic Reverse Charge - Section 16 of the Value-Added Tax Consolidation Act 2010
EUSCL1	Domestic Reverse Charge - Section 16 of the Value-Added Tax Consolidation Act 2010

Rate Updates

The following rates have been added in the authority of Ireland Domestic Reverse Charge:

RATE CODE	RATE DESCRIPTION	RATE	START DATE
SR	Standard Rate	21%	09/01/2020
SR	Standard Rate	23%	03/01/2021
RR	Reduced Rate	13.5%	01/01/2020
NL	Not Liable	0%	01/01/2020
ZR	Zero Rate	0%	01/01/2020
LR	Super Reduced Rate	4.8%	01/01/2020
J1	Special Reduced Rate	9%	01/01/2020

Catch-all Rules

The following catch-all rules have been added in the authority of Ireland Domestic Reverse Charge:

RULE ORDER	RATE CODE	TAX TYPE	TAX TREATMENT	START DATE
5000	None	Acquisition	No Tax	01/01/2020
5001	None	Import	No Tax	01/01/2020
5002	None	Zero Rate Export	No Tax	01/01/2020
5003	None	Zero Rate	No Tax	01/01/2020
5004	None	European Community Dispatch	No Tax	01/01/2020
5005	None	Triangulation	No Tax	01/01/2020
5006	None	EC Sales List Services	No Tax	01/01/2020

RULE ORDER	RATE CODE	TAX TYPE	TAX TREATMENT	START DATE
5007	None	Taxable Export	No Tax	01/01/2020
5008	None	Distance Sale	No Tax	01/01/2020
5009	None	Intra-EU Reverse Charge	No Tax	01/01/2020
5010	None	Intra-Company	No Tax	01/01/2020
5011	None	VAT Groups	No Tax	01/01/2020
10000	None	Any	No Tax	01/01/2020

Also, a new no tax rule with an authority rule qualifier has been added in the authority of Ireland to prevent the system returning two tax blocks when the rules contained in the authority of Ireland Domestic Reverse Charge are applied.

The rule added to the authority of Ireland is the following:

RULE ORDER	RATE CODE	TAX TYPE	TAX TREATMENT	START DATE
5000.0001	None	Any	No Tax	01/01/2020

The authority rule qualifier added to the above-mentioned rule is the following:

CONDITION EXPRESSION	OPERATOR	VALUE	START DATE
Ireland Domestic Reverse Charge	NOT_APPLIED_TAX_TYPE	S	01/01/2020

PART II – USING THE AUTHORITIES

Turning On the authority

The Ireland Domestic Reverse Charge authority is turned off by default. To turn it on, access Tax Data > Authorities > Advanced Configuration Menu.

Search for the respective authority and select it.

Select the Options tab, and then click the Actions button and select Add from the drop-down menu. Select the name of the option “Turn Off Authority” and set the condition to None, the value to No and the start date of 01/01/2020.

PART III – TAX RESULT EXAMPLES

Test 1: Shipment of goods subject to Domestic Reverse Charge from Ireland to Ireland

WORKBENCH ELEMENTS	VALUES
Transaction Type	Goods
Ship From	Ireland
Ship To	Ireland
Seller Registration	IE1244567A
Buyer Registration	IE1244568A
Buyer Establishment in Ship From	Yes

Tax Calculation Results for Company Role: Buyer example

Tax Calculation Results						
Scenario 2020 September 1st Update - Ireland DRC (New authority):						
View Results:	1	Gross Amount: 100.00	Eff%: 0%			
Zone	Authority	Invoice Desc				
Country: IRELAND	Ireland Domestic Reverse Charge	Domestic Reverse Charge 2012.811292 -- Unwrought; waste and scrap; powders (Section 16 VATA)	RC	O	23%	23.00
Country: IRELAND	Ireland Domestic Reverse Charge	Domestic Reverse Charge 2012.811292 -- Unwrought; waste and scrap; powders (Section 16 VATA)	RC	I	23%	23.00
						0.00 USD
<input type="checkbox"/> Authority Messages:						
Authority	RuleOrder	Message				
Ireland Domestic Reverse Charge	6595.7446	EUBG16: Domestic Reverse Charge - Section 16 of the Value-Added Tax Consolidation Act 2010				
Ireland Domestic Reverse Charge	6595.7446	EUBG25: Domestic Reverse Charge - Section 16 of the Value-Added Tax Consolidation Act 2010				

Tax Calculation Results for Company Role: Seller example

Tax Calculation Results						
Scenario 2020 September 1st Update - Ireland DRC (New authority):						
View Results:	1	Gross Amount: 100.00	Eff%: 0%			
Zone	Authority	Invoice Desc				
Country: IRELAND	Ireland Domestic Reverse Charge	Domestic Reverse Charge 2012.811292 -- Unwrought; waste and scrap; powders (Section 16 VATA)	NL	O	0%	0.00
						0.00 USD
<input type="checkbox"/> Authority Messages:						
Authority	RuleOrder	Message				
Ireland Domestic Reverse Charge	6595.7447	EUSG14: Domestic Reverse Charge - Section 16 of the Value-Added Tax Consolidation Act 2010				

Test 2: Supply of customer location services subject to Domestic Reverse Charge from Ireland to Ireland

WORKBENCH ELEMENTS	VALUES
Transaction Type	Customer Location Services
Seller Primary	Ireland
Buyer Primary	Ireland
Seller Registration	IE1244567A
Buyer Registration	IE1244568A
Tax Code	DRC

Tax calculation results for Company Role: Buyer example

Tax Calculation Results											
Scenario 2020 September 1st Update - Ireland DRC (New authority):											
View Results:		Gross Amount: 100.00		Eff%: 0%		Invoice Desc		Type	Dir	Fee	
Zone	Authority										
Country: IRELAND	Ireland Domestic Reverse Charge					Domestic Reverse Charge CONSTRUCTION (Section 16(5)(a) VATA)	RC	O	23%	23.00	
Country: IRELAND	Ireland Domestic Reverse Charge					Domestic Reverse Charge CONSTRUCTION (Section 16(5)(a) VATA)	RC	I	23%	23.00	
										0.00 USD	
<input type="checkbox"/> Authority Messages:											
Authority	RuleOrder	Message									
Ireland Domestic Reverse Charge	6959.9855	EUBCL1: Domestic Reverse Charge - Section 16 of the Value-Added Tax Consolidation Act 2010									
Ireland Domestic Reverse Charge	6959.9855	EUBCL2: Domestic Reverse Charge - Section 16 of the Value-Added Tax Consolidation Act 2010									

Tax Calculation results for Company Role: Seller example

Tax Calculation Results											
Scenario 2020 September 1st Update - Ireland DRC (New authority):											
View Results:		Gross Amount: 100.00		Eff%: 0%		Invoice Desc		Type	Dir	Fee	
Zone	Authority										
Country: IRELAND	Ireland Domestic Reverse Charge					Domestic Reverse Charge CONSTRUCTION (Section 16(5)(a) VATA)	NL	O	0%	0.00	
										0.00 USD	
<input type="checkbox"/> Authority Messages:											
Authority	RuleOrder	Message									
Ireland Domestic Reverse Charge	6959.9856	EUSCL1: Domestic Reverse Charge - Section 16 of the Value-Added Tax Consolidation Act 2010									

Test 3: Supply of physical performance services subject to Domestic Reverse Charge in Ireland

WORKBENCH ELEMENTS	VALUES
Transaction Type	Physical Performance
Supply	Ireland
Seller Registration	IE1244567A
Buyer Registration	IE1244568A
Tax Code	DRC

Tax Calculation Results for Company Role: Buyer example

Tax Calculation Results								
Scenario 2020 September 1st Update - Ireland DRC (New authority):								
View Results:	<input checked="" type="checkbox"/>	Gross Amount: 100.00	Eff%: 0%	Invoice Desc	Type	Dir	Fee	Rate
Zone	Authority			Domestic Reverse Charge CONSTRUCTION (Section 16(5)(a) VATA)	RC	O		23%
Country: IRELAND	Ireland Domestic Reverse Charge			Domestic Reverse Charge CONSTRUCTION (Section 16(5)(a) VATA)	RC	I		23%
Country: IRELAND	Ireland Domestic Reverse Charge							23.00
								23.00
								0.00 USD
Authority Messages:								
Authority	RuleOrder	Message						
Ireland Domestic Reverse Charge	6959.9855	EUBP1: Domestic Reverse Charge - Section 16 of the Value-Added Tax Consolidation Act 2010						
Ireland Domestic Reverse Charge	6959.9855	EUBP2: Domestic Reverse Charge - Section 16 of the Value-Added Tax Consolidation Act 2010						

Tax Calculation Results for Company Role: Seller example

Tax Calculation Results								
Scenario 2020 September 1st Update - Ireland DRC (New authority):								
View Results:	<input checked="" type="checkbox"/>	Gross Amount: 100.00	Eff%: 0%	Invoice Desc	Type	Dir	Fee	Rate
Zone	Authority			Domestic Reverse Charge CONSTRUCTION (Section 16(5)(a) VATA)	NL	O		0%
Country: IRELAND	Ireland Domestic Reverse Charge			Domestic Reverse Charge CONSTRUCTION (Section 16(5)(a) VATA)	NL	O		0.00
								0.00 USD
Authority Messages:								
Authority	RuleOrder	Message						
Ireland Domestic Reverse Charge	6959.9856	EUSPP1: Domestic Reverse Charge - Section 16 of the Value-Added Tax Consolidation Act 2010						

CONCLUSION

This guide explains changes made in ONESOURCE Indirect Tax Determination in connection with the authority of Ireland Domestic Reverse Charge. Please contact Customer Support with any additional questions.