

Church of Ireland

Clergy Tax Panel

ROI



Church of Ireland stipendiary members of the clergy taxation (ROI)

Church of Ireland stipendiary members of the clergy serving in the Republic of Ireland are deemed to be self-employed and come within the relevant sections of Taxes Consolidation Act 1997 as amended which deal with the taxation of self-employed persons.

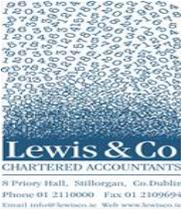
Members of the clergy may wish to appoint their own tax advisor to deal with their annual tax returns or they may choose to deal with their own tax returns where they feel they are competent to do so. From time to time, members of the clergy may have tax concerns and they may require the services of a tax professional familiar with the taxation of stipendiary members of the clergy.

To assist members of the clergy wishing to engage a tax professional, the RCB has compiled a list of tax professionals who are familiar with the taxation of stipendiary members of the clergy in the Republic of Ireland. There is no requirement or expectation to use the firms listed and it will be a matter for the member of the clergy to engage the tax professional on such terms as may be agreed between the parties. The firms are not affiliated with, nor do they act as agents of, the RCB and the RCB makes no representations or warranties of any kind whatsoever express or implied, in relation to the services provided by the firms listed. The RCB strongly recommends that the member of the clergy agree the terms of engagement, including fees, with the tax professional in advance of any work being carried out. It will be a matter for the member of the clergy to make contact with the firm(s) directly.

The services provided will cover:

- o General taxation consultation
- o General taxation advices
- o Preparation and submission of annual tax return

The panel consists of the following professionals:

<p>John McDonnell McDonnell & Associates 31 Greenmount Office Park Harold's Cross Dublin 6W</p> <p>Tel: 353 1 453 3070 Email: info@mcda.ie</p> 	<p>Leslie Moynan O'Neill Foley Patrick's Court Patrick's Street Kilkenny</p> <p>Tel: 353 56 7721157 Email: accounts@onf.ie</p> 	<p>Ben Lewis Lewis & Co 8 Priory Office Park Stillorgan Co Dublin</p> <p>Tel: 353 1 2110000 Email: info@lweisco.ie</p> 	<p>Mr Arnold Jackson Church House 24 Dublin Road Omagh Co Tyrone BT78 1HE</p> <p>Tel: 028 8225 0253 Email: info@mmjca.com Website: www.mmjca.com</p> 
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The panel have prepared a list of frequently asked tax questions with supporting answers relating to Church of Ireland Stipendiary Clergy who are paid centrally through the Representative Church Body. These are detailed below:

Frequently Asked Questions

1.	<p>What is the tax year in the Republic of Ireland?</p> <p>Answer:</p> <p>The tax year runs from 1 January – 31 December</p>
2.	<p>What do I need to do to file my tax return every year?</p> <p>Answer:</p> <p>Initially you must register with the Revenue Commissioners as a self-assessed person, in effect you are treated as being self-employed and you are taxed on the “profit” after deduction of expenses. You must file a Form 11 income tax return every year and this has to be filed online using Revenue’s Online Service (ROS).</p>
3.	<p>When do I pay my tax?</p> <p>Answer:</p> <p>If you register for tax in a particular year, your tax is due by 31st October of the following year. Also you must pay preliminary tax on that same date for the current year.</p> <p>To illustrate, if your combined tax bill amounts to €10,000 for 2022, you must pay €10,000 on 31st October 2023 as well as a further €10,000 preliminary tax for 2023 – so the total you will pay on 31st October 2023 is €20,000.</p> <p>In 2024, when you are filing your 2023 return, if your 2023 liability is lower than the preliminary tax previously paid, you will get a refund of the difference in preliminary tax, if higher you will pay the difference. At that stage you will also pay preliminary tax for 2024, usually based on 100% of the previous year’s liability or 90% of what you expect the current year’s liability to be.</p> <p>It is advisable to make regular savings throughout the year to enable payment of income tax when it falls due.</p>
4.	<p>Do I have to pay Universal Social Charge (USC)?</p> <p>Answer:</p> <p>You are required to pay USC on the same basis and at the same time as when you pay income tax.</p>
5.	<p>Do I have to pay PRSI?</p> <p>Answer:</p> <p>As a clergyman you pay PRSI at class E on your RCB stipend which is deducted at source by the RCB. It is important to tick the “PRSI exempt” box on the tax return or otherwise you could be double charged on PRSI on your stipend.</p>
6.	<p>What deductions/expenses can I reduce my income by?</p> <p>Answer:</p> <p>Essentially anything directly related to your ministry, for example a proportion of total motor expenses (including tax, insurance, fuel, repairs, as well as capital allowances on the cost of the car); books and telephone (except expenses which are reimbursed by the Parish).</p> <p>Entertainment expenses are not allowed as a deduction.</p>
7.	<p>Is the Cost of Living Accommodation Allowance (COLA) taxable?</p> <p>Answer:</p> <p>No, COLA is not a taxable allowance to the extent that the amount is agreed with Revenue annually; any excess paid over this amount is taxable. The figure which can be applied in 2022 for un-vouched claims is €3,687.</p>
8.	<p>How do I get a tax clearance certificate?</p> <p>Answer:</p> <p>This can be applied for through ROS and is valid for 4 years once obtained; it can be rescinded in the event of falling behind with tax obligations.</p>
9.	<p>Can I invest in a pension to reduce my tax?</p> <p>Answer:</p> <p>Yes, this is very tax efficient as relief is given at your top rate of tax (40%) assuming that you are paying tax at this rate. It reduces your liability to tax by this amount, so if you put €1,000 into a pension scheme, it effectively only costs you €600, assuming you pay tax at 40%. Pension contributions can be paid regularly or annually, and can be carried back to the previous tax year, so you can invest in a pension for 2022 up until October 2023 and still get tax relief in 2022.</p>

10.	<p>If I receive additional fees from a parish for e.g. filling in for another minister, are these taxable?</p> <p>Answer:</p> <p>Yes, if you perform a service for which you are remunerated and that service is considered to arise out of your ministry, then regardless of how it is paid, it is taxable income.</p>
11.	<p>If I purchase a car, what is the tax treatment for gaining a deduction?</p> <p>Answer:</p> <p>Depending on the car's emissions, the cost of a car is deductible as a capital allowance and spread over a period of 8 years (12.5% per annum of the car's value).</p> <p>For a car with low emissions (less than 155 g/km), you can claim a cost of €24,000, regardless of the cost of the car. For cars with higher emissions (156 - 190 g/km), the capital allowances are calculated on the lower of either: 50% of €24,000 or 50% of the actual cost of the car. No capital allowances are available for cars with emissions higher than 190 g/km.</p> <p>The capital allowances deducted of 12.5% must be multiplied by your ministry use percentage. Accordingly if your car is used for ministry, you claim a percentage of the full annual capital allowances, as your deduction. This percentage is determined by each individual's personal level of ministry use.</p> <p>When a car is sold a calculation will be required to ascertain if there is either a Balancing Allowance or Balance Charge to be applied to your income tax return for the year in which it was sold.</p> <p>In relation to the running expenses of the car such as petrol, motor tax, insurance, repairs etc. it is essential that you keep all receipts relating to these expenses for your annual taxation return.</p>
12. (a)	<p>What is Capital Gains Tax (CGT)</p> <p>Answer:</p> <p>Capital Gains Tax (CGT) is a tax charged on the capital gain (profit) made on the disposal of any chargeable asset. It is payable by the person making the disposal. The gain/profit (the difference between the price you paid for the asset and the price you sold it for) is considered to be a taxable gain.</p> <p>How do I return capital gains?</p>
12 (b)	<p>Answer:</p> <p>These are returned on your income tax return (see question 2) and tax on gains is due for payment as follows:</p> <ul style="list-style-type: none"> i. Gain on disposal from 1 January 2022 to 30 November 2022 – payment date 15 December 2022. ii. Gain on disposal from 1 December 2022 to 31 December 2022 – payment date 31 January 2023.
13.	<p>Must I register my private home or other residential properties with the Residential Tenancies Board (RTB)?</p> <p>Answer:</p> <p>If you own a residential property which generates rental income you must register this property with the RTB. Landlords cannot claim a deduction from tax on the rental income in respect of interest paid on borrowings used to purchase, improve or repair rented residential premises unless the landlord can show evidence of registration with the Residential Tenancy Board (RTB). When the tenancy has been in existence for four years it must be re-registered with the PRTB.</p> <p>You do not need to register your private home with the RTB if it is unlet.</p>

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