



STATEMENT
OF PRACTICE
SP-SD 1/92

AMNESTY FOR
STAMP DUTIES

AMNESTY FOR STAMP DUTIES

1. INTRODUCTION

- 1.1 In his Budget speech on 29 January, the Minister for Finance announced an amnesty to encourage the payment of stamp duties outstanding on documents executed prior to 1 November, 1991. The amnesty as proposed will apply to interest and other penalties for the late payment of duty. It is effective from 30 January, 1992. Because of the revised stamp duty regime brought about by the Finance Act, 1991 interest and penalties on duty outstanding on documents executed prior to 1 November, 1991 can in many cases be very substantial. The amnesty will give taxpayers a once-off opportunity to settle any long-outstanding stamp duty liabilities without payment of interest or penalties.

2. DETAILS OF AMNESTY

- the amnesty will apply to instruments executed prior to 1 November, 1991 only;
- during the period of the amnesty interest or any other penalty for late payment of duty will be mitigated;

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- full mitigation will apply to duty paid from 30 January, 1992 to 30 June, 1992. Instruments executed prior to 1 November, 1991 and on which duty is paid during that period will not be charged any interest or other penalty for late payment;
- interest and other penalties will again commence from 1 July, 1992;
- where duty is paid on any instrument executed prior to 1 November, 1991, between 1 July, 1992 and 30 September, 1992 interest and other penalties will be charged only from 1 July, 1992;
- the amnesty will end on 30 September, 1992;
- where duty is paid on any instrument executed prior to 1 November, 1991, on or after 1 October, 1992, interest and other penalties for late payment will be charged from the date of execution of that instrument;
- the amnesty will not apply to companies capital duty, to duty payable on credit and charge cards or to duty payable by way of levies;
- the amnesty will apply to any duty payable as a result of the withdrawal of reliefs under Section 31, Finance Act, 1965 (reconstructions and amalgamations) and Section 19, Finance Act, 1952 (transactions between associated companies).



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3. REVISED STAMP DUTY REGIME

3.1 The Finance Act, 1991 substantially altered the collection and enforcement of stamp duty. The following changes to the stamp duty regime were made —

- payment of stamp duty was made mandatory within 30 days of the execution of an instrument;
- interest and penalties for late payment were substantially increased;
- greater responsibility was imposed on taxpayers and their agents to ensure that all relevant information is provided to the Revenue Commissioners when instruments are presented for stamping;
- the Commissioners were given greatly improved powers of investigation and assessment;
- surcharges were introduced for the understatement of consideration or market value.

3.2 The revised stamp duty regime applies only to instruments executed on or after 1 November, 1991. Instruments executed prior to that date are not affected. However the revised penalties for late payment of stamp duty apply to these instruments with effect from 1 November, 1991. Accordingly, where the stamp duty on an instrument, executed prior to 1 November, 1991, is paid after that date a range of interest charges and penalties will apply. With regard to interest, this will be charged on

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outstanding duty at 5 per cent per annum up to 31 October, 1991 and at 1.25 per cent per month or part of a month thereafter. The penalties of 10 per cent, 20 per cent and 30 per cent of the duty provided by the Finance Act, 1991 will apply to the outstanding duty as if the instrument had been executed on 1 November, 1991. In practice this means that all such instruments are now liable to a penalty charge of 10 per cent of duty in addition to interest. With effect from 1 May, 1992 any such instrument would attract a penalty of 20 per cent of duty plus interest and on 1 November, 1992 it would attract a penalty of 30 per cent of duty plus interest.

4. INFORMATION

Further information may be obtained by telephoning (01) 6792777 Extension 2252 or 2257, Fax 6793261

30 January, 1992