

[41.0.13A] Direct Debit - Payment of Income Tax Preliminary Tax

Updated February 2017

The Finance Act 2012 repealed S958 Taxes Consolidation Act 1997 (TCA, 1997) and introduced S959AP TCA, 1997, which governs the payment of Preliminary Income Tax by Direct Debit since January 2013.

As per S959AP TCA, 1997.

- If this is your first time availing of the direct debit scheme for Preliminary Income Tax, **you must make a minimum of three payments in the first year.**
- In the following years the Preliminary Income Tax payment must be made by way of **eight or more** monthly direct debit payments.

As per S959AO TCA, 1997.

- The minimum amount of preliminary tax, which must be paid is the lower of:
 - 90% of the tax liability for the actual year of assessment
 - or**
 - 100% of the tax liability for the preceding year of assessment
 - or**
 - *in the case of direct debit participants only*, 105% of the tax liability for the pre- preceding year of assessment. *

* The 105% rule does not apply where the income tax payable for the pre- preceding year is Nil.

- A liability to interest charges arises where a customer fails to comply with the preliminary tax rules.

For further information on the payment of Preliminary Income Tax by direct debit please see the following links:

[Paying Preliminary Income Tax by Direct Debit](#)