

## Corporation Tax – Payment of Preliminary Tax by Large Companies

### Part 41-00-39

This document was last reviewed September 2017

1. The Finance (No.2) Act 2008 (section 38) introduced revised arrangements for the payment of preliminary tax by companies with a corporation tax liability of more than €200,000 [\[1\]](#) in the preceding accounting period. For these companies, preliminary tax is now payable in two instalments.
2. The first instalment, which must be at least
  - 50% of corporation tax liability for the preceding accounting period [\[2\]](#), or
  - 45% of corporation tax liability for the current accounting period,is due no later than the 21st day of the 6th month of the accounting period, or the 23rd day of that month in the case of companies making their returns and payments under ROS.
3. The second instalment, which must bring the total preliminary tax paid to at least 90% of corporation tax liability for the current accounting period, is due 31 days before the end of the accounting period and not later than the 21st day of the relevant month, or the 23rd in the case of companies making their returns and payments under ROS.
4. The revised arrangements have effect for accounting periods (of more than 7 months duration) which commence on or after 14th October 2008.
5. There is no change in the arrangements for companies with a corporation tax liability of €200,000 [\[1\]](#) or less in the preceding accounting period. For these companies payment of preliminary tax, which must be at least 90% of corporation tax liability for the current accounting period or 100% of corporation tax liability for the preceding accounting period [\[2\]](#), is due on the same basis as outlined in paragraph 3.
6. Companies should ensure that they comply with the revised preliminary tax requirements, if applicable to them, as failure to do so leaves a company liable to interest.

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<sup>1</sup> The €200,000 limit is reduced proportionately where the preceding accounting period is less than 12 months.

<sup>2</sup> The amount based on corporation tax paid in the preceding accounting period is adjusted proportionately where the length of that period differs from the current accounting period.