

Treatment for tax purposes of certain unpaid remuneration. FA76 s17(1) to (3)(a) and (4)(b) 996.—(1) In this section—

“accounting period”, in relation to a trade or profession, means a period of 12 months ending on the date up to which the accounts of the trade or profession are usually made up and, where accounts of the trade or profession have not been made up, such period not exceeding 12 months as the Revenue Commissioners may determine;

“date of cessation”, in relation to an office or employment, means the date on which a person ceases to hold the office or employment;

“date of commencement”, in relation to an office or employment, means the date on which a person commences to hold the office or employment;

“period of account”, in relation to a trade or profession, means any period, other than an accounting period, for which the accounts of the trade or profession have been made up;

“period of accrual”, in relation to remuneration in respect of an office or employment in a trade or profession, means the period beginning on the later of—

(a) the first day of an accounting period, or period of account, of the trade or profession, or

(b) the date of commencement of the office or employment

and ending on the earlier of—

(i) the last day of an accounting period, or period of account, or

(ii) the date of cessation of the office or employment;

“relevant date” means—

(a) in relation to an accounting period, the last day of the period, and

(b) in relation to a period of account—

(i) where the period of account is less than 12 months, the last day of the period, and

(ii) where the period of account is more than 12 months, each 5th day of April within the period and the last day of the period;

“remuneration” includes all salaries, fees, wages, perquisites or profits whatever from an office or employment.

(2) Where remuneration (in this section referred to as “unpaid remuneration”) which is deductible as an expense in computing the profits or income of a trade or profession for an accounting period or period of account for the purposes of Schedule D is unpaid at a relevant date—

(a) the unpaid remuneration shall be deemed to be emoluments to which this Chapter applies and shall be deemed to have been paid in accordance with subsection (3), and

(b) this Chapter and the regulations made under this Chapter shall, with any necessary modifications, apply to the unpaid remuneration as if it had been so paid.

(3) Unpaid remuneration shall be deemed to have accrued from day to day throughout the period of accrual and there shall be deemed to have been paid on each relevant date so much of that remuneration as accrued up to that date or, if it is earlier, the date of cessation of the office or employment in respect of which the unpaid remuneration is payable—

(a) where there was no preceding relevant date, from the beginning of the period of accrual or, if it is later, the date of commencement of the office or employment in respect of which the unpaid remuneration is payable, and

(b) where there was a preceding relevant date, from the day following that date or, if it is later, the date of commencement of the office or employment in respect of which the unpaid remuneration is payable.

(4) This section shall not apply to unpaid remuneration paid before—

(a) the date of expiry of 6 months after the date (in this subsection referred to as “the deemed date”) on which that remuneration is by virtue of subsection (3) deemed to have been paid, or

(b) in the case where the period of account is one of more than 12 months, the date of expiry of 18 months from the first day of that period of account if the date of expiry is later than the deemed date.