

Deduction of tax from relevant payments. FA87 s15; FA88 s8(d) 523.—(1) (a) An accountable person making a relevant payment shall deduct from the amount of the payment the appropriate tax in relation to the payment.

(b) The specified person to whom the amount is payable shall allow such deduction on receipt of the residue of the payment.

(c) The accountable person making the deduction and, if the accountable person is an authorised insurer, any subscriber or member on whose behalf the accountable person is making the relevant payment shall be acquitted and discharged of such amount as is represented by the deduction, as if the amount had actually been paid.

(2) Where—

(a) in accordance with section 522, a relevant payment has been made to a practitioner by an authorised insurer, and

(b) in accordance with subsection (1), the practitioner has allowed a deduction of appropriate tax in respect of that payment and a subscriber or member has been acquitted and discharged of so much money as is represented by the deduction,

the practitioner shall, if any amount in respect of the relevant medical expenses to which the relevant payment relates has been paid by the subscriber or member, pay to the subscriber or member, as the case may be, an amount equal to the amount by which the aggregate of the amount paid by the subscriber or member and the amount of the relevant payment exceeds the relevant medical expenses.

(3) (a) The Minister for Finance may make such regulations as that Minister considers necessary or expedient for the purpose of giving full effect to this Chapter in so far as it relates to authorised insurers and the making of payments under contracts of insurance in respect of relevant medical expenses, and, in particular but without prejudice to the generality of the foregoing, regulations under this subsection may—

(i) specify the circumstances and the manner in which a payment (other than a relevant payment) may be made or claimed in respect of relevant medical expenses, and

(ii) provide for the indemnification of an individual against claims in respect of relevant medical expenses, or any other claims arising out of acts done or omitted to be done by the individual pursuant to this Chapter or regulations made under this subsection in so far as this Chapter relates or those regulations relate to authorised insurers and the making of payments under contracts of insurance in respect of relevant medical expenses.

(b) Every regulation made under this subsection shall be laid before Dáil Éireann as soon as may be after it is made and, if a resolution annulling the regulation is passed by Dáil Éireann within the next 21 days on which Dáil Éireann has sat after the regulation is laid before it, the regulation shall be annulled

accordingly, but without prejudice to the validity of anything previously done thereunder.

(4) The provisions of the Tax Acts relating to the computation of profits or gains shall not be affected by the deduction of appropriate tax from relevant payments in accordance with subsection (1), and accordingly the amount of such relevant payments shall be taken into account in computing the profits or gains of the specified person for tax purposes.