

Tax accounting - IFRS

There have been further enhancements to the Overall proof of tax under IFRS. This now gives a more detailed breakdown in the movement in deferred tax between PPE, Intangibles and Provisions. It also gives further details on the movement in exceptions during the period.

Tax administration

The Compliance Cycle Manager (CCM) window (Enterprise users) and the Administration summary (Professional users) now correctly displays companies with negative tax liabilities when the user has chosen to exclude completed periods from the Selective Display/ Display Companies option.

Group

There is now an option to include a consolidated trade summary report for each company in a group. This can be done by flagging the option **Display Consolidated trade summary statement?** in the Group Configuration Input statement.



Alphatax Ireland Release Notes Summer 2011

Optional modules

Accounts Analysis

There is a new option in the Accounts Analysis Tax Categoriser which allows users to categorise from the Profit and loss account to the Adjustment Analysis statement by line item.

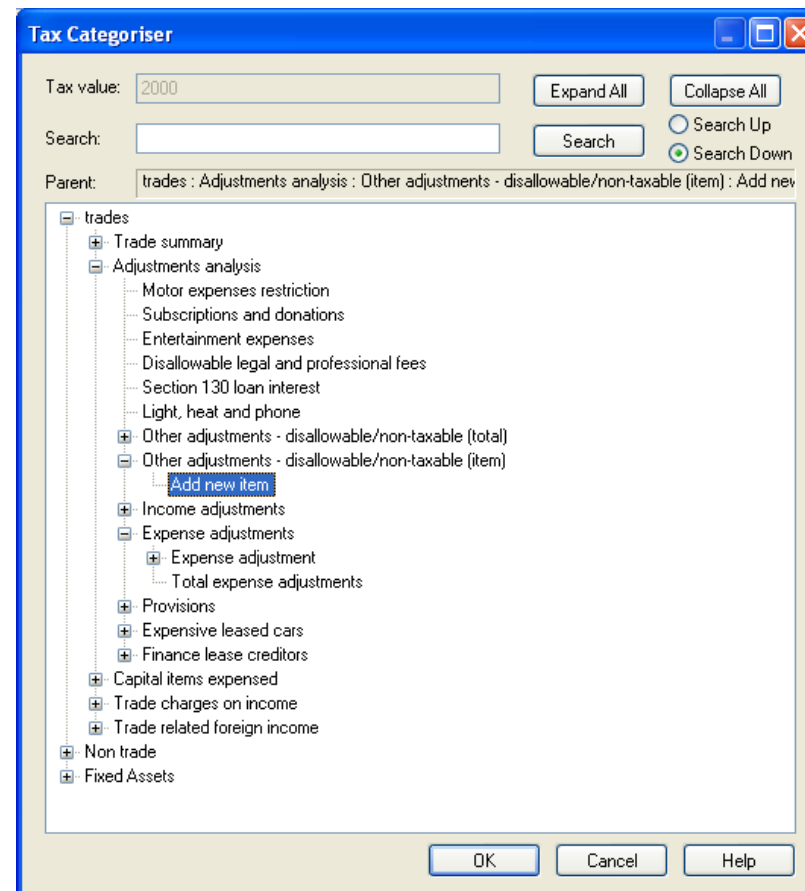
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Finance leases

- When a finance lease has come to an end and the asset is acquired and included as an addition in a Wear and tear allowances statement, users can now set the **Exclude from additions in Fixed asset statement?** flag to **Yes** on the Wear and tear allowances Accessory statement to exclude this addition from the Fixed assets statement as this addition is not reflected in the financial statements.
- When there is a disposal of a finance lease, users can now set the **Carry forward value to calculate as zero if Disposal release column completed?["save" when flag changed]** flag to **Yes** on the Finance lease creditors Input statement to show that there is no longer a carry forward amount as the finance lease is over. To activate this, users must save the computation. The carry forward value will then show as zero.

Miscellaneous enhancements and fixes

- A new input row on the Fixed assets Input statement under the Disposal analysis section has been added to allow users to transfer disposals between categories of assets.
- The Accounts extracts section no longer shows in the Contents tree if the company has no trade. To display the section when there is no trade, users should set the **Display accounts extracts statements even though no trade?** flag to **Yes** in the Other settings section on the Configuration options Input statement.
- There is a new diagnostic to remind users to complete the Franked investment income and Distributions received Input statements to ensure that both the CT1 and computation are correct. The diagnostic is **Entries must be made in both the distributions received statement and the P&L cell of the franked investment income statement.** To remove the diagnostic, users should make entries in both statements.

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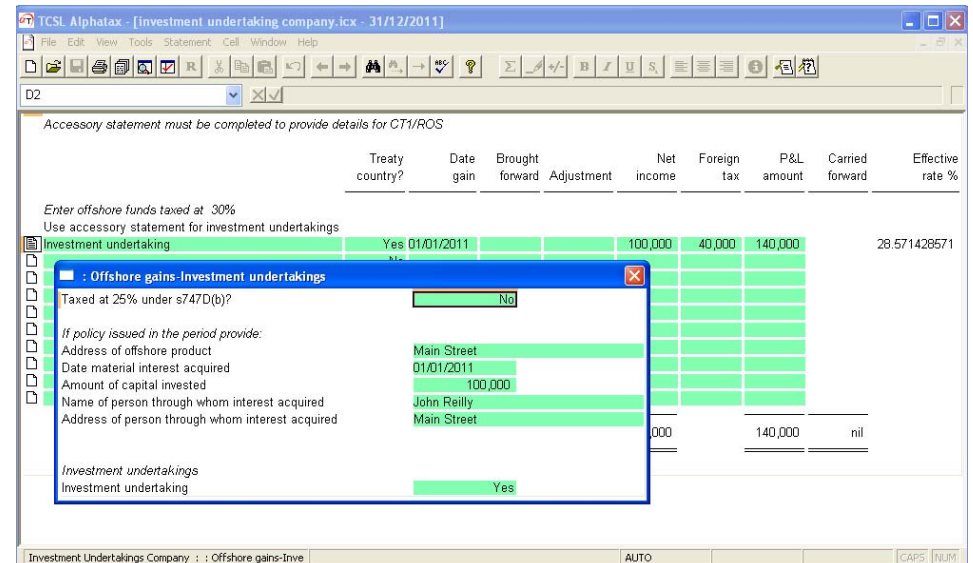
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Research and development tax credits

Alphatax now limits the R&D tax credits to be paid in accordance with s766B TCA 1997. This is done by ticking the flag **Display Adjust R&D cells for repayable credit calculations for insufficient CT payments and payroll tax under s766B?** in the Research and development tax credit and Research and development tax credit – buildings Input statements as **Yes**. The user can then adjust the repayable amount. The following diagnostic is displayed in the next year to remind users to adjust the brought forward amount: **The flag to adjust repayable tax credits is marked "yes" but no inputs have been made in the cells provided.**

Foreign income

- Users can now flag that foreign income, interest income and other income has been accounted for net in the accounts by line rather than statement. This allows user further flexibility in showing how income has been accounted for. A new **Accounted for gross?** flag appears in the Accessory statement on each line once the **Is taxed income per accounts net of tax?** flag on the Interest income Input statement or the **Is foreign income per accounts net of tax?** flag on the Foreign income Input statement has been set to **Yes**.
- Alphatax now handles Investment undertakings which will be taxed at 26, 28 and 30% depending on the date. These can be entered in the Accessory statement of the Offshore funds – Investment undertakings Input statement (formerly referred to as Foreign income – offshore funds).



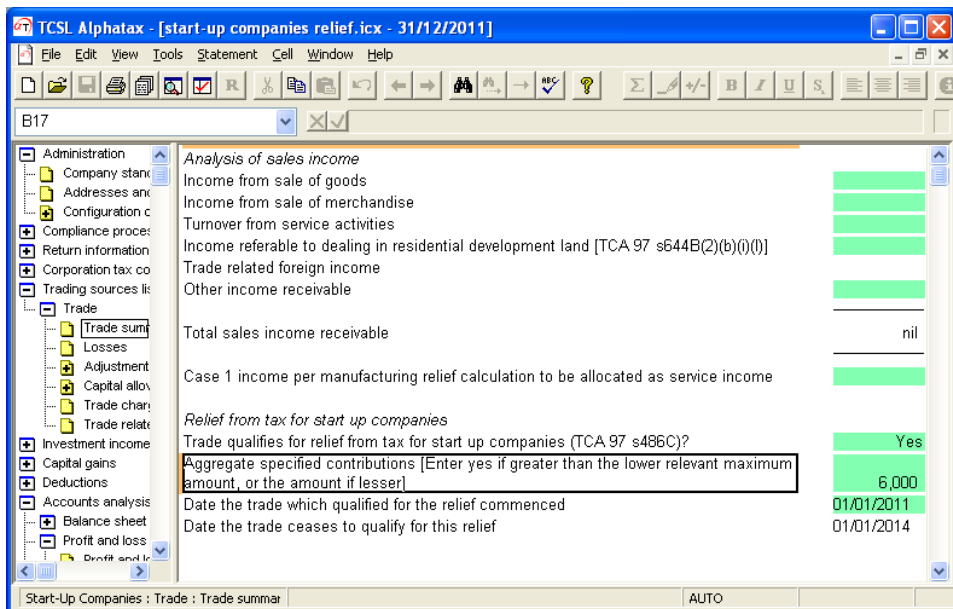
Form 46G (Company)

The Form 46G (Company) has been updated for 2011.

Other enhancements

Start up companies relief

Finance Act 2011 introduced a limitation on start-up companies relief based on the PRSI paid by the company. Alphatax incorporates this in the Trade summary statement with a new **Aggregate specified contributions [Enter yes if greater than the lower relevant maximum amount, or the amount if lesser]** flag for accounting periods beginning on or after 1 January 2011.



The flag allows users to enter the specified contributions the company has paid or if the amount is greater than the lower relevant maximum amount the user can simply enter **Yes**. If no entry is made the following diagnostic is generated reminding the user to make an entry: **Trade is marked as qualifying for start up companies relief but no entry has been made in the trade summary for aggregate specified contributions. Complete the cell.**

Introduction

Welcome to the Alphatax Ireland Summer 2011 edition. This release includes:

- CT1 2011 and ROS XML 2011
- Other miscellaneous changes and bug fixes

IMPORTANT NOTICE

Although ROS has been updated for 2011 periods, Revenue have confirmed that there are issues in their calculations for periods straddling 2010 and 2011 which have yet to be resolved. For details, refer to page 7.

Installation

To update your existing version of Alphatax, simply insert the Alphatax Installation CD and press the enter key at the prompts. This will overwrite the old version of Alphatax. Enterprise users must also upgrade the Enterprise database as described on the following page.

Note. You may be prompted to enter the 16 digit Alphatax Installation Key. The Key is attached to the CD jewel box. Enter the key and then click Next. Not all installations require an Alphatax Installation Key.

Templates

The installation will reinstall the standard Alphatax templates to ensure that you have the latest version.

To allow you to retrieve your own versions of these templates, if applicable, the old templates are stored in a new folder called BACKUPn (where n is a number incremented for each new installation). Note that this part of the process may take some time. A wait box is displayed enabling users to track progress during the process.

Folders called BACKUPNn created in the Spring 2011 release are removed with this release.

Enterprise only

You must update the Enterprise database using the Alphatax Enterprise Manager before running Alphatax. If you do not update the database, an error message is displayed when you open Alphatax.

To update the database, open Enterprise Manager and:

1. Double-click the **System Administration** item in the Contents list.
2. Double-click the **Upgrade Alphatax Database** item.
3. Connect to the database for SQL Server or Oracle as appropriate.

The **Database** drop-down list is a list of all the Alphatax databases on the selected server. The corresponding **Status** gives the version number of the database. For Summer 2011, the version number is 23. You **must** apply the upgrade if the Status shows a version number earlier than 23.

4. Choose **Upgrade Now** for Alphatax Enterprise Manager to upgrade the database.

For further details refer to the Enterprise Manager Administrator Guide which is located in the Manuals folder on the installation CD.

Return forms

CT1 2011 and ROS XML 2011 schema

Alphatax has been updated with the CT1 2011 and the new XML 2011 schema for e-filing.

IMPORTANT NOTICE

Although ROS has been updated for 2011 periods, Revenue have confirmed that there are issues in their calculations for periods straddling 2010 and 2011 which have yet to be resolved. These issues are listed below.

- Where a company has manufacturing relief and is claiming any type of total profit relief, Revenue will calculate manufacturing relief incorrectly.
- Where a company has manufacturing relief and is claiming s420A Group relief, Revenue will calculate manufacturing relief incorrectly.
- Where a company is claiming value based group relief at 10%, Revenue will not accept these files currently even though they are completed correctly.

In these instances, users will need to inform their local Revenue office.

New entries required to complete the CT1

New entries are required to complete new boxes on the 2011 Form CT1. These are

- Where a company is claiming s420A Group relief, users need to specify how much of the loss is from Excess Capital Allowances and Excess Trade Charges in the Group relief claim Accessory statement.
- Where the company is claiming value based relief under s396B, the user needs to specify how much of the loss is from Excess Capital Allowances and Excess Trade Charges in the Miscellaneous CT1 entries statement.
- Where a company is claiming a R&D credit under s766 the user needs to specify how much of the credit is from expenditure on plant and machinery.
- Where base year expenditure under s766 has been entered the user needs to specify how much of this amount refers to expenditure on plant and machinery.

Where users fail to make a required entry, a diagnostic is generated as a reminder to complete the appropriate input.