
A guide to self-assessment

1. Overview
2. Who should register for Income Tax self-assessment?
3. **What is preliminary tax?**
4. Pay and file system - how does it work?
5. What forms do you need to complete?
6. How do you know what to pay?
7. Do you need to pay 'Pay Related Social Insurance (PRSI)'?
8. High Income Earner Restriction (HIER)

What is preliminary tax?

Preliminary tax is your estimate of the Income Tax, Pay Related Social Insurance (PRSI) and Universal Social Charge (USC) that you expect to pay for a tax year. You must pay this by 31 October of the tax year in question.

You must make sure that you do not under pay your preliminary tax, or you may be charged interest. The amount of preliminary tax for a year must be equal to, or more than, the lowest amount of the following:

- 90% of the tax due for that tax year
 - 100% of the tax due for the immediately previous tax year
- or**
- 105% of the tax due for the tax year preceding the immediately previous tax year (often called the 'pre-preceding year'). This option only applies where you pay by direct debit. It does not apply if the tax due for the pre-preceding year was nil.

For late payments, you will be charged interest for each day (or part of a day) past the deadline.

How to pay preliminary tax

You can pay your preliminary tax through:

- Revenue Online Service (ROS) - by a [ROS Debit Instruction \(RDI\)](#) using a bank account, or by debit or credit card
 - myAccount - by a once off debit, a '[Single Debit Instruction](#)', using a bank account or by debit or credit card
- or**
- direct debit - application should be made online through ROS using the direct debit link on the My Services screen.

Sign in to ROS →

Sign in to myAccount →

Note

Only VISA and MasterCard debit and credit cards are acceptable.

Preliminary tax in your first year

A payment of preliminary tax may not be required for the first year you are a self-assessed taxpayer. In the first year you are in the self-assessment system, you can choose either:

- preliminary tax of 100% of the previous year's liability. Generally, you will not have to pay preliminary tax with this choice. This is because, in your first year your previous year's liability would normally be 'nil'.
- or**
- pay preliminary tax of 90% of your tax due for the current tax year. This will reduce the amount of tax you need to pay in the subsequent year.