



Tax Systems

# *Alphatax Ireland*

## *Release Notes*

*Version 22.2*

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# 1. Introduction

## About version 22.2

Welcome to the version 22.2 edition of Alphatax Ireland. This release includes the following:

- Interest Limitation Rules
- Minor changes to resolve customer issues

**Please note** that as of the day of the release, there are issues with ROS offline when presented with files containing Interest Limitation Rule calculations and such files cannot successfully submit the CT1. Revenue are aware of the issue and we believe it will be addressed in due course. The working of ROS offline and other Revenue systems is beyond our control and is solely a matter for Revenue.

## Technical support

We provide a technical support help desk for users requiring assistance. The help desk can be contacted by telephone between the hours of 9.00 am and 5.30 pm, Monday to Friday excluding public holidays.

If you require help or further information, please contact the support team on:		
UK	Tel: +44 (0) 1784 777 666	Email: support@taxsystems.com
Ireland	Tel: +353 (0)1 661 9976	Email: support@taxsystems.ie

**Note:** We recommend that you use the E-mail Support option from the Help menu if you need to share screenshots or other attachments directly with Support.

## 2. Technical requirements

<b>The minimum and recommended workstation specification is as follows:</b>	
Hardware requirements	<ul style="list-style-type: none"> <li>Any PC capable of running the supported operating systems listed below.</li> <li>Fixed disk – 500MB free space for the application</li> </ul>
Valid operating systems (mandatory)	<ul style="list-style-type: none"> <li>Microsoft Windows 7 32/64 Service Pack 1</li> <li>Windows 8 32/64</li> <li>Windows 10 32/64 (recommended)</li> <li>Windows 11</li> <li>All Windows Server Platforms from 2012</li> </ul>
Valid Windows Office (optional but some functionality relies on the Office suite)	<ul style="list-style-type: none"> <li>MS Office 2007</li> <li>MS Office 2010</li> <li>MS Office 2013</li> <li>MS Office 2016</li> </ul>
Additional Information	<ul style="list-style-type: none"> <li>Virtualisation Platforms fully supported.</li> <li>Citrix compatible</li> <li>E-Filing requires internet access to ROS (HTTPS port 443)</li> <li>Alphapack is a set of WCF services running under IIS 6.0 or later and .NET 4.0 or later. The database is SQL Server 2000 or later. The Alphatax Enterprise version is 17.0 or later.</li> </ul>
<b>The minimum and recommended server specification is as follows:</b>	
Database servers (running either)	<ul style="list-style-type: none"> <li>SQL Server 2014 or later</li> <li>SQL Server 2019 (<b>recommended</b>)</li> <li>Oracle 19c (<b>recommended</b>)</li> </ul>
<b>Other information</b>	
<p>If you plan to use more than one application at a time, more memory may be required to ensure proper and efficient operation.</p> <p>To print tax return forms, it is advised that you have a laser or inkjet printer capable of printing graphics at least at 300 dots per inch (dpi).</p>	

## 3. Third party end of life information

### End of life notifications

#### Windows Server 2012/2012 R2

Microsoft will end support for Windows Server 2012/2012 R2 on October 10, 2023.

Further information can be found here:

<https://learn.microsoft.com/en-us/lifecycle/announcements/sql-server-2012-windows-server-2012-2012-r2-end-of-support>

In line with this, we will be ending support for Windows Server 2012/2012 R2 in the Alphatax 23.1 release later this year.

#### SQL Server 2012

As previously indicated, we no longer support SQL Server 2012. Microsoft ceased support for this product in July 2022 and it will no longer receive security or non-security updates. If you use SQL Server 2012 you should upgrade your version immediately.

### End of life

To view our **End-of-Life policy**, please go to this link and select the policy from the Mandatory Policies section:

<https://www.taxsystems.com/legal-policies/>

## 4. Installation

### Installation key

Your 16-digit Alphatax installation key is provided in the email that you received announcing the release. The Alphatax installation key is required to both download and install Alphatax.

Should you have any queries, please contact the support team on 01 6619976 or at [support@taxsystems.ie](mailto:support@taxsystems.ie).

### Downloading and installing Alphatax

Please download the copy of Alphatax from the releases download site <https://releases.taxsystems.com>, which will require you to enter your email address and your 16-digit Alphatax installation key. This process will generate an automated email with a unique URL which will be sent to your email address.

The URL will allow you to download the Alphatax installer along with other applications which you are registered to use and also installation guides and release notes.

Click on 'Alphatax v22.2.exe' to initiate the installation process for which the Alphatax installation key will again be required. Press the Enter key at the prompts.

The installation process will override the old version of Alphatax. For detailed information on the installation process refer to the *ATAXIE Installation Guide*. This can be retrieved from the user documentation section of the download screen.

Enterprise users, using the Oracle or MSSQL databases, should also run the database update script from within the Enterprise Manager utility. The database version has not changed and remains 46. The Enterprise Manager is automatically extracted from within the Alphatax Installer package.

### 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 BACKUPXn (where n is a number incremented for each new installation).

**Note:** This part of the process may take some time. A progress bar displays the names of templates as they are being copied. Folders called BACKUPXn created in the version 22.1.2 release are removed with this release.

## 5. Important notices

### Microsoft OLE DB Provider for SQL Server (SQLOLEDB)

Microsoft no longer maintains the legacy Microsoft OLE DB Provider for SQL Server (SQLOLEDB).

Microsoft recommends upgrading to the new Microsoft OLE DB Driver (MSOLEDBSQL) for SQL Server. In line with this we would also recommend that you download and install this new driver.

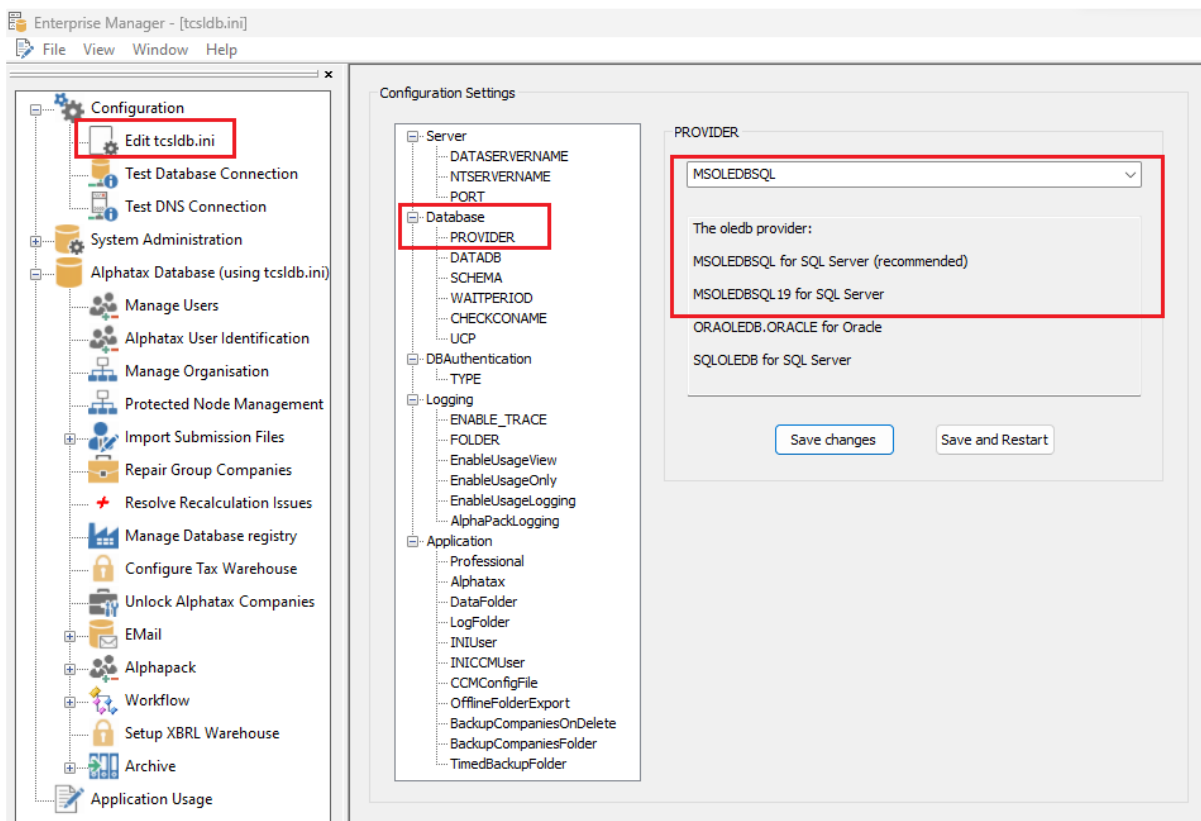
For further information, please see the following Microsoft technical documentation:

<https://learn.microsoft.com/en-us/sql/connect/oledb/oledb-driver-for-sql-server?view=sql-server-ver16>

When you have upgraded to the new driver, you will need to update the tcsldb.ini configuration settings and change the Database PROVIDER as follows:

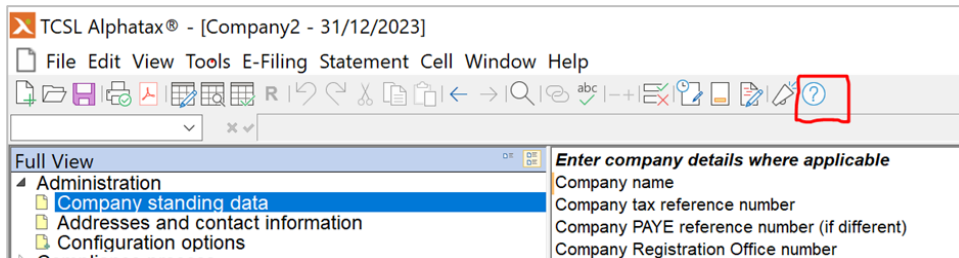
**FROM:** PROVIDER=sqloledb

**TO:** PROVIDER=<select the driver you have upgraded to>



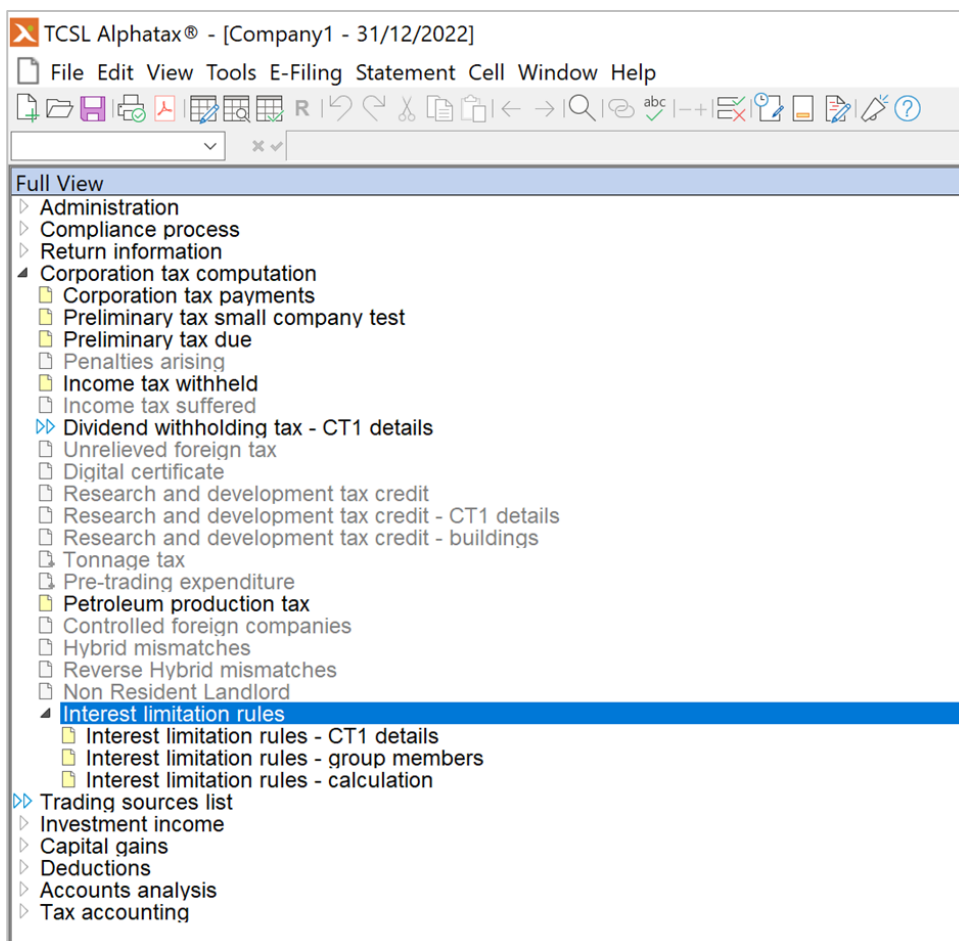
## 6. Interest limitation rules (“ILR”)

- In this release of Alphatax we have significantly enhanced the Interest Limitation section of both company and group files. Users with a licence for the group product should use the group product to populate the ILR statements in the company file. See below for details regarding the group product.
- The help file within Alphatax, which can be accessed via the icon in the screenshot below, has a more detailed explanation of how to use the ILR functionality and users should review it before they proceed with their ILR calculations.



## Company files

- The ILR-related input forms have been moved from the “Return Information” section of the file to the “Corporation Tax Computation” section of the file.





- The “Interest limitation rules – CT1 details” form has been updated, to populate certain cells automatically, from the new “Interest limitation rules – calculation” form.
- A new input form, “Interest limitation rules – calculation” has been created, to automate a significant amount of the calculation involved. Input cells have been created as per the screenshot below.

	Before scaling	After scaling
Interest equivalent - Case I standard rate and chargeable gains	5,000,000	5,000,000
Interest equivalent - Case III standard rate	-	-
Interest equivalent - Excepted trades	-	-
Interest equivalent - Case II 25%	-	-
Interest equivalent - Case IV	3,000,000	6,000,000
Interest equivalent - Case V	-	-
Interest equivalent - Capital gains rate	-	-
<b>Net interest income (excluding long term infrastructure projects)</b>	<b>200,000</b>	<b>200,000</b>
Interest income equivalent - Case I standard rate and chargeable gains	-	-
Interest income equivalent - Case III standard rate	-	-
Interest income equivalent - Excepted trades	-	-
Interest income equivalent - Case II 25%	-	-
Interest income equivalent - Case IV	90,000	180,000
Interest income equivalent - Case V	-	-
Interest income equivalent - Capital gains rate	-	-
<b>Net interest equivalent</b>	<b>10,620,000</b>	<b>10,620,000</b>
Exceeding borrowing costs - not scaled	7,710,000	-
Limit for applying restriction (needs to be amended for interest groups)	3,000,000	-
Apply interest restriction?	Yes	-
Exceeding borrowing costs - scaled	-	10,620,000

- A calculation has then been added to determine the overall disallowed interest or limitation spare capacity in the entity and where there is disallowed interest, cells have been added, to allocate this against different streams of income as per the screenshot below.

	Scaled down	Scaled up
Group ratio	-	-
Group exceeding borrowing costs (input or posted from group)	-	-
Group EBITDA (input or posted from group)	-	-
Percentage of EBITDA available if claim is made	30	-
Claim group ratio (press F7 to refresh)	No	-
Percentage of EBITDA allowed	30	-
Equity ratio exemption available (is company equity ratio is within 2% points of group equity ratio?)	No	-
Claim equity exemption? (press F7 to refresh)	No	-
Equity ratio exemption applies?	No	-
Allowable interest deduction	5,286,000	-
Interest restriction - before override	5,334,000	-
Interest restriction - override	5,334,000	-
Limitation spare capacity	-	-
Allowable interest deduction	5,286,000	-
Exceeding borrowing costs - scaled	10,620,000	-
Disallowed amount - either post from group or input - relevant trade and chargeable gains	4,800,000	4,800,000
Disallowed amount - either post from group or input - excepted trade	-	-
Disallowed amount - either post from group or input - Case III lower (12.5%)	-	-
Disallowed amount - either post from group or input - Case III (25%)	-	-
Disallowed amount - either post from group or input - Case IV	287,000	534,000
Disallowed amount - either post from group or input - Case V	-	-
Disallowed amount - either post from group or input - CGT	-	-
<b>Total Disallowed</b>	<b>5,087,000</b>	<b>5,334,000</b>

- Where amounts are disallowed, a reconciliation statement has been added in report mode, to ensure all items have been appropriately included in the correct place in the file.
- Diagnostics have been added to assist the user in completing the ILR section.

## Group files

- We have updated our group product to include an ILR section. **We are currently including the ILR functionality on an evaluation basis until 24<sup>th</sup> July 2023. After that date, users will require an ILR licence to continue using it. Please contact our support team if you wish to discuss.**
- It is recommended that users with a licence use the ILR functionality within the group file, do their work within the group file and post to the company files.
- The help file should be reviewed for a more detailed explanation of how the ILR statements should be used.
- The “Membership” form now enables entities in the group to be opted into the ILR functionality of the file. Users can also say that companies are in the group file for ILR purposes but not for group relief of losses and those companies are then excluded from the group relief statements.

	Co 1	Co 2	Co 3	Co 4	Co 5	Co 6	Non coterm	Non coterm	Non AT1	Non AT2
Period start date	01/01/2022	01/01/2022	01/01/2022	01/01/2022	01/01/2022	01/01/2022	01/04/2021	01/04/2022	01/01/2022	01/01/2022
Period end date	31/12/2022	31/12/2022	31/12/2022	31/12/2022	31/12/2022	31/12/2022	31/03/2022	31/03/2023	31/12/2022	31/12/2022
Acquired date										
Disposed date										
Consortium company?	No	No	No	No	No	No	No	No	No	No
Consortium percentage										
Group name										
Small company for Preliminary Tax?	No	No	No	No	No	No	No	No	No	No
Interest limitation rules										
Is the company electing into an interest group?	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes
Company is in group file for interest limitation rule purposes only, not for group relief of losses.	No	No	Yes	No	No	No	No	No	No	No
Is the company the reporting company?	Yes	No	No	No	No	No	No	No	No	No
Exclude the company from interest limitation rule calculations	No	No	No	No	No	No	No	No	No	No

- This also allows ILR companies to elect to be a member of an interest group, or file on an individual basis, and to identify the reporting company of the interest group.
- There is a new section within the group file for “Interest limitation rules” and this section contains various statements which should be completed in the order in which they appear.

Please note that users are required to post to the company files after completing each statement as the company files may need to be updated before the next step in the calculation can be done.

TCSL Alphatax® - [ILR group demo1.gx - 31/12/2022]

File Edit View Tools Statement Cell Window Help

THIS IS AN EVALUATION LICENCE OF INTEREST LIMITATION RULES FUNCTIONALITY WHICH WILL END ON 24 JULY 2023. IF YOU WOULD LIKE TO USE BEYOND THIS DATE PLEASE CONTACT TAX SYSTEMS SUPPORT DESK.

AP from	Co 1	Co 2	Co 3	Co 4	Co 5	Co 6	Non conform	Non conform	Non conform
AP to	01/01/2022	01/01/2022	01/01/2022	01/01/2022	01/01/2022	01/01/2022	01/04/2021	01/04/2022	01/01/2022
	31/12/2022	31/12/2022	31/12/2022	31/12/2022	31/12/2022	31/12/2022	31/03/2022	31/03/2023	31/12/2022
<b>All companies whether or not in interest group</b>									
Interest equivalent amounts input in relation to chargeable gains should be grossed up	Total	Before	Before	Before	Before	Before	Before	Before	Before
Deductible interest equivalent (including legacy debt, excluding long term infrastructure projects)	Scaling	Scaling	Scaling	Scaling	Scaling	Scaling	Scaling	Scaling	Scaling
Deductible interest equivalent at standard rate - trading income and chargeable gains									
Deductible interest equivalent at standard rate - Case III									
Deductible interest equivalent at higher rate - Excepted trade									
Deductible interest equivalent at higher rate - Case III at 25%									
Deductible interest equivalent at higher rate - Case IV									
Deductible interest equivalent at higher rate - Case V									
Deductible interest equivalent at capital gains rate									
<b>Legacy debt (excluding long term infrastructure projects)</b>									
Deductible interest equivalent at standard rate - trading income and chargeable gains									
Deductible interest equivalent at standard rate - Case III									
Deductible interest equivalent at higher rate - Excepted trade									
Deductible interest equivalent at higher rate - Case III at 25%									
Deductible interest equivalent at higher rate - Case IV									
Deductible interest equivalent at higher rate - Case V									
Deductible interest equivalent at capital gains rate									
<b>Net interest income (excluding long term infrastructure projects)</b>									
Taxable interest equivalent at standard rate - trading income and chargeable gains									
Taxable interest equivalent at standard rate - Case III									
Taxable interest equivalent at higher rate - Excepted trade									
Taxable interest equivalent at higher rate - Case III at 25%									
Taxable interest equivalent at higher rate - Case IV									
Taxable interest equivalent at higher rate - Case V									
Taxable interest equivalent at capital gains rate									
Net interest equivalent									
EBITDA from company file	100,600,000	314,000,000	(4,000,000)	16,820,000	(9,000,000)	28,000,000	44,000,000	55,000,000	21,000,000

- The “Net interest equivalent” form is the first form to be completed and posted to the company file. This will then change the EBITDA calculation in the company files.
- The other ILR statements are then completed in the order in which they appear and posted to the company files before the following statement is completed.
- A report has been created to identify discrepancies between the results viewable in the group file with those appearing in the entity file. This may occur if a user opens a company file and changes values. Discrepancies in the report may warrant further investigation.

## 7. Miscellaneous changes

- The Exempt Capital Disposals (626B) panel has been amended so that when there is more than one disposal, instead of showing the total value on the PDF, it directs the user to look at the continuation pages which show each disposal separately. This agrees with how the information is submitted to ROS.
- The “Interest paid under deduction of Income Tax at a reduced rate or without the deduction of Income Tax” panel has been amended. Previously these amounts could only be entered once in Alphatax but Revenue require these to be repeating values capable of being entered multiple times. They need to be repeating values to be reflected on the CT1 2022. An additional input form has been added to Alphatax to populate the multiple disclosures separately.
- The Distributions Received statement incorrectly displayed a tax reference number column that when completed was included in the tax return. This column has now been removed and no longer is included in the tax return.
- The xml file produced will no longer pre-populate any s.110 questions in Q1.6 on the CT1, where the first question is answered “No”
- A blank tick-box incorrectly showing on page 5 of the CT1 within another cell has now been removed.
- A display issue in the Group product has been fixed, where the Report Mode section 420 Loss statement appeared to show double the amount of losses available for surrender.




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