




# How RCT works and the forms that are involved



As a principal contractor or subcontractor you should advise your local Revenue office when you start in business. You can do this by completing  [Registration Form TR1 - Tax Registration form for Sole Traders, Trusts and Partnerships](#) (PDF, 410KB) or  [Form TR2 - Tax Registration form for Companies](#) (PDF, 977KB)

## Registering as a principal contractor

If you are already registered for other taxes and wish to register as a principal contractor for Relevant Contracts Tax (RCT) you should complete  [Form P33](#) (PDF, 73KB). This form is also used to obtain a supply of Forms RCTDC.

## Form RCT 1 procedure


When a principal contractor enters into a relevant contract with a subcontractor they must jointly complete

 [Form RCT1](#) (PDF, 1.01MB). Certain subcontractors will be eligible to apply for exclusion from the RCT 1 process on a  [Form RCT1-exemptions](#) (PDF, 107KB). Further details on Form RCT 1 and the exclusion are available on the website.

## Uncertified subcontractors


An uncertified subcontractor is a contractor who does not hold a C2 card (certificate of authorisation) or if they hold a C2, the principal contractor has not received a relevant payments card (RCT 47) for the subcontractor. RCT (currently 35%) must be deducted from all payments to a subcontractor where the principal does not hold a relevant payments card for that subcontractor.

## Applying for a C2 card

An uncertified subcontractor may apply to Revenue for a C2 Card (certificate of authorisation) by completing  [Form RCT5](#) (PDF, 77KB) and Photocard Application (PC5), both of which are available from any Revenue office. To qualify for a C2, the subcontractor must meet certain criteria.

Where a subcontractor holds a valid C2 card, the principal contractor can apply to Revenue for a relevant payments card (RCT47) for that subcontractor. Upon receipt of the relevant payments card, the principal contractor is no longer required to deduct RCT at 35% from payments to the subcontractor.


## Applying for a relevant payments card (RCT47)

If a subcontractor holds a valid C2 card the principal contractor can apply for a relevant payments card (RCT47) on  [Form RCT46](#) (PDF, 606KB). Where there are ongoing contracts at the end of the year, the principal contractor can make a bulk application to Revenue for payments cards on Form RCT 46A.


Steps to be followed by Principal:

1. Examine the original C2 – a photocopy will not suffice
2. Check that the C2 bears the photograph of the person presenting it
3. Check that the signature on the RCT46 matches that on the C2
4. Check that the subcontractor's name on the RCT46 is the same as that on the C2
5. Check that the C2 has not expired
6. If the C2 is in order apply **immediately** to your local Revenue district on Form RCT46 for a relevant payments card (RCT 47). Form RCT46 must be signed by both the **principal and the subcontractor**
7. Return the C2 to the subcontractor; and
8. Wait until the RCT47 is issued from Revenue before making any gross payments.

A subcontractor may nominate a bank account into which all payments made by the principal should be lodged. If this is the case, the subcontractor need not present the C2 in person. Instead he or she gives the principal details of the card number and the nominated bank account. (The subcontractor should have advised Revenue of the bank account in advance.) The principal enters the details on the Form RCT46 undertaking to make the payments due to the subcontractor into that account only. However, the principal still needs to have the RCT47 before making any gross payment.


Upon receipt of the RCT47 by the principal contractor all further payments to the subcontractor (up to the limit shown on the RCT47) can be made without deducting RCT. Details of all payments to the subcontractor should be entered on the RCT47. Where the total payments to the subcontractor exceed the specified limit shown on the RCT47, RCT should be deducted from any payments in excess of this limit. Where RCT is deducted from the payment, the subcontractor should be given a completed RCTDC (see below for details). Further details on the  [RCT47 contract limit](#) (PDF, 30KB) are available on the website. The relevant payments card (RCT47) is **not** available online.


## Payments to subcontractors where RCT is deducted

If a subcontractor does not hold a C2 card, the principal contractor cannot apply for a relevant payments card (RCT47). RCT (35%) must be deducted from all payments to the subcontractor. The principal contractor must issue an RCTDC to the subcontractor and record the payment on the  [RCT Deduction Card \(Form RCT48\)](#) (PDF, 47KB).

Form RCTDC (formally C45) is a certificate of RCT deducted which must be issued to a subcontractor for each payment where RCT has been deducted. The RCTDC is currently a two part self-carbonising form. It is important therefore that each column on Part 1 is completed clearly and firmly so that Part 2 is legible. Care should also be taken that the subcontractor's name, whether individual or company, is correctly and fully shown. When the RCTDC is completed Part 1 should be given to the subcontractor with the payment so that he/she can

claim a credit/refund of the RCT deducted from Revenue. Part 2 should be retained as part of the business records. Form RCTDC is **not** available online.

A principal contractor can obtain a supply of RCTDC's from Revenue by completing  [Form P33](#) (PDF, 73KB). Only principal contractors who are registered for RCT can receive a supply of RCTDC's.

A principal contractor should record on  [Form RCT48](#) (PDF, 47KB) all payments where RCT has been deducted. This form is retained by the principal contractor.

## Payments to gangs or groups of subcontractors

Gangs or groups are a feature of all relevant operations. A gang could be described as a loose group of subcontractors, generally of the same trade, who come together to undertake a relevant contract with a principal contractor. The contract may be with one member of the gang or with the gang collectively.

A partnership that does not hold a C2 is deemed to be a gang.  [Information on payments to a gang or group of subcontractors.](#) (MS Word 20KB)


## Returns to Revenue by principal contractors

### Form RCT30

Form RCT30 is the monthly return made by the principal contractor, showing the gross tax (RCT) deducted from subcontractors during the income tax month. Principal contractors must send a completed Form RCT30 and the RCT deducted that month to the Collector-General, within 14 days after the end of the tax month. [Note: With effect from 1 January 2009, where the RCT30 return and the associated payment are made electronically (i.e. via ROS), the return filing and payment deadline will be extended from 14th to 23rd of the month. See [Revenue eBrief No. 10 of 2009](#) for details]. This form is issued to registered principal contractors and is **not** available online.

Forms RCT30 can be filed using the Revenue On-Line Service (ROS). Further details on the [ROS website](#) or email [roshelp@revenue.ie](mailto:roshelp@revenue.ie).

### Form RCT35/35L

Form RCT35/35L is a two part form consisting of an annual declaration of gross payments and tax deducted (RCT35), together with a listing of all subcontractors to whom payments were made whether tax was deducted or not. A specimen version  [RCT35](#) (PDF, 64KB) for years 2008 onwards is available. Principal contractors must send a completed Form RCT35 to the Collector-General by 15th February each year with details of all payments to each subcontractor whether or not RCT was deducted. Form RCT35 can be filed using the Revenue On-Line Service (ROS). Full details on the [ROS website](#) or email [roshelp@revenue.ie](mailto:roshelp@revenue.ie).

Full details on filing RCT 35 2008 are available in [Revenue eBrief No. 04/2009](#)