

[05.01.12] Taxation of Couriers

Reviewed February 2017

Question

How are couriers treated for tax purposes?

Answer

Couriers are regarded as self-employed for PRSI purposes as a result of a Social Welfare Appeals Officer's decision. In the interest of uniformity Revenue decided, without prejudice, to treat them as self-employed for tax purposes.

Many courier firms have opted to implement a voluntary PAYE system of tax deduction in respect of couriers engaged by them. The PAYE tax credit is given to the couriers who are subject to this voluntary PAYE deduction system.

A special flat-rate expense allowance regime has been agreed for couriers on voluntary PAYE. To reduce the administrative overhead, this involves treating expenses as being a percentage of income. The PAYE principle of disregarding the allowable expenses for tax purposes (instead of coding them with tax credits) before operating PAYE was applied.

Any courier firm wishing to join the voluntary PAYE scheme should contact its local Revenue Office.