

Report of Tax Strategy Group (TSG) Meeting on 8^h September 2021

Introduction

Ms. Emma Cunningham (D/Finance, TSG Chairperson) welcomed all attendees and outlined briefly the role and purpose of the Group and the papers. Included in the introduction was a short presentation by Mr. Brendan O'Connor (D/Finance, Economist) on the economic and budgetary context, setting out the Department's view of the current economic situation.

Response to Covid-19

(TSG 21/01)

1. This paper provides an overview of the Departments' response to the epidemic including the supports put in place such as the EWSS, CRSS and other relevant tax measures.

Income Tax Paper (Incorporating Help to Buy Scheme)

(TSG 21/02)

2. The Income Tax paper includes a summary of tax yields, information on the distribution and burden of income tax and USC, international comparisons and policy considerations for reform. Other items discussed included Help to Buy, Flat Rate Expenses and Pensions.

Review of Tax Arrangement regarding e-working

(TSG 21/03)

3. Issues covered in this paper include the current tax treatment of remote working, international comparisons and options for consideration.

Trans-borders Workers Relief

(TSG 21/04)

4. The paper summarised the current situation regarding the tax treatment of people working across state lines, and the complexities of the issues which have arisen during the pandemic.

International and EU Tax Developments

(TSG 21/06)

5. This paper discusses both tax developments at both an EU and International level, including Ireland's position on recent developments.

Corporation Tax

(TSG 21/05)

6. The Corporation Tax paper examines a range of topics such as corporation tax trends, implementation of EU Anti Avoidance directives, the Tax Appeals Commission and the proposed tax credit for the digital gaming sector.

PRSI

(TSG 21/07)

7. This paper was presented by the Department of Social Protection and examines issues including the Social Insurance Fund (SIF), contribution rates and benefits.

Social Protection Package – Budget 2022 Issues

(TSG 21/08)

8. In this paper the Department of Social Protection (DSP) discusses the role of social transfers and outlined progress towards the national social target for poverty reduction. The paper presents the overall DSP expenditure under its various programmes and discussed Budget 2022 in the context of the expenditure ceiling and the Covid-19 pandemic.

Climate Action and Tax

(TSG 21/09)

9. This paper looks at how the tax system can be used to help meet Ireland's ambitious climate change goals of reducing emissions, increasing energy efficiency and developing less environmentally harmful policies. It put forward options in respect of carbon, fuel related and motor taxes.

Value Added Tax

(TSG 21/10)

10. This paper reviews the Value-Added Tax (VAT) rates and structures, provides options for change and looks at VAT developments at EU and domestic level.

General Excise

(TSG 21/11)

11. The General Excise Paper looks at non-environmental excise duties which apply in the State. It outlines the rates that have been applied and the revenue yielded from excise duties on tobacco products and alcohol products in recent years. The paper also discusses public health policies and Covid-19's impact on these sectors.

Brexit Readiness – Taxation and Customs Issues

(TSG 21/12)

- 12.** The paper examines the implications of the decision of the UK to leave the EU on the administration of taxation in Ireland. Items for discussion included the EU and Ireland's response to recent developments, Budget measures, ongoing issues and Duty Free taxes.

Capital & Savings Taxes

(TSG 21/13)

- 13.** Capital Gains Tax, Capital Acquisitions Tax, DIRT and LAET are discussed in this paper, including the rates, yields and exemptions associated with these taxes. The paper sets out the current position on each and examined potential options for change in the context of Budget 2022.

Stamp Duty

(TSG 21/14)

- 14.** This paper examines the stamp duty rates for residential and non-residential property in Ireland, international comparisons and the impact of Covid-19. It also discusses REIT's and farming reliefs and provides an overview of other stamp duty items such as the bank levy and the levy on shares.

Closing Remarks

- 15.** The Chairperson thanked all those who had prepared and presented papers and those who had attended the meeting. It was noted that the papers would be published shortly on the D/Finance website.
- 16.** The attendance list for the meeting is attached.

Terry Behan

Acting Secretary to the Group

9th of September 2021.

TSG Attendance List – 8th September 2021

Department of Finance:

Emma Cunningham (Chairperson)

Anne Marie Walsh

Gerry Kenny

Deirdre Donaghy

Joe Cullen

Cathal Sheridan

David O’Sullivan

Brendan O’Connor

Fiona O’Connor

Aidan Murphy

John Day

Brian Fee

Terry Behan (Acting Secretary)

Other members of the Department were present for parts of the meeting appropriate to their particular areas of work.

Department of Public Expenditure and Reform

Ivana McGarr

Jasmina Behan

Department of the Taoiseach:

Alan Ahearne

Nigel Clarke

Office of the Revenue Commissioners:

Jeanette Doonan

Declan Rigney

Florence Carey

Eamonn O'Dea

Deirdre Hanlon

Dept. of Enterprise, Trade and Employment (Tánaiste):

Felix O'Kane

Oliver Gilvarry

Philip O' Callaghan

Department of Employment Affairs and Social Protection:

Ciaran Lawler

Mary O'Sullivan

Colin O' Neill

Aideen Mooney

Saidhbhín Hardiman

Office of the Attorney General:

Paula O'Hare

Dept. Of Climate Action, Communications Networks and Transport :

Donall Geoghegan

Eamonn Fahey