

Submission to the Review of the Corporation Tax Code – Public Consultation

I am contributing to this consultation as an independent public representative and a member of Dáil Éireann.

I wish to welcome this public consultation on the recently published Review of Ireland's Corporation Tax Code (the Coffey Report). Given the relevance of this topic to issues of industrial policy and fairness in Irish society, I believe it is important that a broad, transparent and comprehensive effort is made to consider the wide range of perspectives that exist on these issues. In particular, I welcome that the consultation has invited contributions on the future direction of tax policy in this area.

My submission derives from my record as a long standing campaigner in this area, who has contributed on a number of occasions to the national debate. My contributions have consistently stressed the importance of Ireland further developing a fair, just and robust taxation system; a system where everyone pays their share and which is flexible to respond to new tax avoidance schemes as they evolve.

Given the content of the consultation document, and the Coffey Report, I wish to highlight the following three issues:

1. On the basis of enhancing the transparency of the corporate taxation system, I believe that Government policy should continue to embrace the OECD BEPS proposals which have served as an overdue and welcome international initiative in this area. This should include the implementation of the OECD 2017 Transfer Pricing Guidelines incorporating BEPS Actions 8, 9 and 10 in Irish legislation (as recommended by the Coffey report). It should also include the extension of these rules to cover capital transactions and non-trading income; initiatives that would further restrict opportunities for aggressive tax planning.
2. To date, Ireland has been a leader on the issue of country by country reporting with such requirements already incorporated in our tax laws and structures. In the interest of fairness and transparency I believe that the next step is to make these reports publicly available. Such a development would strengthen the integrity and public trust in our corporate tax system and further disincentive some large multinational firms, and their accountancy advisers, from exploiting opportunities to minimise or eliminate tax liabilities. While I acknowledge that there are some policy challenges associated with implementing this proposal, I believe that the benefits it would bring substantially outweigh any negative consequences.
3. In parallel with the above reforms, I believe that there is merit in giving greater policy consideration to the concept of a minimum effective corporate taxation rate. Such a proposal would apply to large firms with an annual turnover above a particular nominal threshold (approximating those in the top 50 companies as reported in the recent C&AG report which examined corporation tax receipts). Within the context of considerations of future developments in corporate taxation policy, I would encourage the Department of Finance to undertake an examination of such a proposal and to consult widely with interested parties before finalising and publishing it.