

Report of Tax Strategy Group (TSG) Meeting on 15th September 2015

Minutes of the meeting of 8th September

(TSG 15/14)

1. The minutes of the meeting on the 8th September were agreed.

Distributional Aspects of the Tax System

(TSG 15/08)

2. The paper provided a short overview of the distributional impact of a number of possible tax measures and of a tax package similar to the one included in Budget 2015. As the details of the Budget package were unknown, the paper represented the distributional impacts of (i) a number of hypothetical tax measures and (ii) a hypothetical tax package, which can be informative as to the general implications were similar measures undertaken.

Income Tax and Universal Social Charge (USC)

(TSG 15/09)

3. This paper covered a range of issues including the Programme for Government, Budget 2015, current Income Tax and USC rates and bands. Other issues covered included international comparisons, progressivity of taxation, policy considerations for 2016 and beyond and options for consideration.

Pay Related Social Insurance – Budget 2016 Issues

(TSG 15/10)

4. The PRSI paper was presented by the Department of Social Protection and reviewed issues such as the financial position of the Social Insurance Fund, the Programme for Government commitments, the restructuring of PRSI and USC and extending social insurance entitlements for the self-employed.

Social Protection Package – Budget 2016 Issues

(TSG 15/11)

5. In this paper, the Department of Social Protection (DSP) examined the general role of social transfers while briefly discussing the social impact of the crisis and poverty alleviation effects and details the progress toward the national social target for poverty reduction. Also included, was the overall DSP expenditure (various programmes) while Budget 2016 was discussed in the context of the Government's Spring Statement and 2016 expenditures ceiling. The paper concluded by listing a range of illustrative welfare Budget measures as part of the

Government's commitment to carry out a social impact assessment of the main tax and welfare issues.

Tax and Entrepreneurship Review

(TSG 15/12)

6. The Department of Finance carried out a review of the role of the tax system in supporting entrepreneurship and the effectiveness of existing and prospective tax expenditures aimed at addressing challenges faced by smaller firms and entrepreneurs. There was a public consultation as part of this review and the paper took account of the responses to the consultation and identified some of the methods of defining and measuring entrepreneurs and SMEs, examined the role of the tax system in encouraging entrepreneurship, and explored some of the specific tax policy proposals that have arisen from the review so far.

Capital and Savings Taxation Issues

(TSG 15/13)

7. This paper covered Capital and Savings taxes, Stamp Duties and Dirt. It set out the current position on each and examined potential options for change in the context of Budget 2016 and the consequent Finance Bill. The Group noted the need for decisions regarding Capital taxes to have regard to the Government's Construction 2020 Strategy insofar as they related to property.

Attendance List and Next Meeting

8. The attendance list for the meeting of 15th September 2015 is attached.

Rory O'Kelly

Secretary to the Group

21 September 2015.

TSG Attendance List – 15th September 2015

Department of Finance:

Gary Tobin

Gerry Kenny

Seamus Milne

David Hegarty

Des O’Leary

Niall Feerick

Rory O’Kelly (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

Colin Menton

Department of the Taoiseach:

Andrew McDowell

Helen Blake

John Callinan

Paul O’Brien

Office of the Revenue Commissioners:

Gerard Howard

Brian Boyle

Department of Jobs, Enterprise and Innovation:

Declan Hughes

Ciarán Conlon

Críona Brassill

Department of Social Protection:

Aideen Mooney

John Conlon

Denis Moynihan

Roshin Sen

Attorney General

Caroline Daly