

**Report of Tax Strategy Group Meeting on 25 September 2007**

**Minutes of the meeting on 11 September 2007** (TSG07/05)

1. The minutes of the meeting of 11 September were agreed.

**Income Tax Ready Reckoner** (TSG 07/03a)

2. The Income Tax Ready Reckoner (TSG 07/03a) was distributed at the meeting.

**Social Welfare Package – 2008 Budget Issues** (TSG 07/06)

3. The Department of Social and Family Affairs presented the paper on this item and a general discussion followed the presentation. The commitments in the Agreed Programme for Government were noted. The estimated expenditure amount over the next year, based on various assumptions to meet objectives was highlighted. It was noted that decisions relating to the Social Welfare package would have to be made by November because of the new budget process.

**Selected VAT Issues** (TSG 07/07)

4. The paper discussed the VAT rating structure and scope for changing VAT rates, the domestic budgetary issues and developments at EU level. The options for possible changes to the VAT system were considered in the context of Budget 2008 and the various constraints were noted. In 2006, VAT accounted for 29.5% of the overall tax yield to the Exchequer. A paper on VAT on Property will be presented at a later date. Revenue undertook to provide a list for the group of the items listed under Annex III of the VAT Directive to which Ireland applies a reduced VAT rate.

**Housing Taxation Policy** (TSG 07/08)

5. A paper on Housing Taxation Policy was presented to the Group and a general discussion on the issues followed. The paper assesses the current state of the housing market in terms of output, prices, credit availability and growth. It outlines the existing treatment for residential property and also described the current situation in relation to social and affordable housing

**Attendance list and Next Meeting**

6. The attendance list for the meeting is attached. The next meeting is scheduled for 9 October 2007 at 10.30 am in the Department of Finance.

**Rory O'Kelly**

**25 September 2007**

**TSG Attendance list of 11 September 2007**

**Department of Finance:**

Kevin Cardiff

Derek Moran

Vincent Palmer

Paddy Barry

John O'Connell

Pat Murphy

Paul Ryan

John McCarthy

Ray Kavanagh

Seamus Milne

Ambrose Murray

Eddie Madden

Dermot Quigley

John Fitzpatrick

Ken Nolan

Rory O' Kelly

**Department of the Taoiseach:**

Mary Doyle

**Revenue Commissioners:**

Josephine Feehily

Eamon O'Dea

Niall Cody

**Department of Enterprise Trade and Employment:**

Kieran Grace

**Department of Health and Children**

John O'Brien

**Department of the Environment, Heritage and Local Government**

Donall Geoghegan

**Office of the Attorney General**

Caroline Daly

**Department of Social and Family Affairs**

Marie O'Neill

Tom Mulherin

Denis Moynihan

**Department of Environment, Heritage and Local Government**

Maria Graham

Máire O'Mahony

**Apologies**

Tom O'Mahoney – Department of the Environment, Heritage and Local Government

Brendan Phelan – Department of Health and Children

Denise Mullins - Department of Enterprise, Trade and Employment

Gerry Donnelly – Department of Enterprise, Trade and Employment

