

Report of Tax Strategy Group Meeting on 5 October 2010

Minutes of the meeting on 28 September

(TSG 10/11)

1. The minutes of the meeting of the 28 September were agreed.

Social Welfare Package – 2011 Budget Issues

(TSG 10/12)

2. A general discussion took place following the presentation of this paper by the Department of Social Protection. The items discussed included the Department's Estimate of Expenditure for 2011, The Report of the Special Group on Public Service Numbers and Expenditure Programmes, Inflation, Child Benefit, Family Income Supplement and the Social Insurance Fund. The issues were discussed by the Group.

Tax Incentives/Expenditures

(TSG 10/13)

3. The Tax Incentives/Expenditures paper was divided into three sections; 1.) Property Based Schemes Legacy Reliefs, 2.) Limerick Regeneration and 3.) Review of Tax Expenditures Budget 2011. A number of scenarios were provided in relation to the Property Based Schemes which the Group discussed. The Group also noted that Ministers were asked by the Minister for Finance to review the effectiveness of tax expenditures in their sector with particular reference to those recommended by the Commission on Taxation for removal from the tax code. The responses to this request are currently being assessed by the Department of Finance for consideration within the context of the overall tax measures for Budget 2011.

Selected VAT Issues

(TSG 10/14)

4. This paper discussed the VAT rating structure, current VAT issues at domestic level and VAT developments at EU level. Items discussed included the scope for change, rates, the consolidation of the VAT Act and the Place of Supply Changes. It was noted that in 2009, VAT accounted for 32% of the overall tax yield to the Exchequer and that the current estimate VAT yield for 2010 is €10,090 million.

Taxation of Non-resident Entertainers

(TSG 10/15)

5. A paper on the Taxation of Non-resident Entertainers was presented to the Group and a short discussion followed. The review undertaken by the Revenue Commissioners and its conclusion was noted.

Attendance list and Next Meeting

6. The attendance list for the meeting is attached.

7. The next meeting will take place on Tuesday, 19 October 2010, in Room 0.2, South Block, Government Buildings, Upper Merrion Street, Dublin 2.

Rory O'Kelly

7 October 2010

TSG Attendance list, 5 October 2010

Department of Finance:

Derek Moran

Cathy Herbert

Paul Ryan

Pat Murphy

Gary Tobin

Áine De Baróid

Kevin Kirwan

John Day

John Conlon

Ray Kavanagh

Rory O'Kelly

Department of the Taoiseach:

Dónall Geoghegan

Martin Fraser

Joe Lennon

Revenue Commissioners:

Michael O'Grady

Eugene Creighton

Philip Brennan

Department of Enterprise, Trade and Innovation:

Deirdre McDonnell

Paul Kealy

Department of Social Protection:

Brian O'Raghallaigh

Denis Moynihan

Pádraic Ó hUiginn

Department of Communications, Energy and Natural Resources:

Stephen O'Connor

Department of Health and Children:

Jim Breslin

Office of the Attorney General:

Caroline Daly

Department of the Environment, Heritage and Local Government

John McCarthy

Department of Tourism, Culture and Sport

Mary Nash

Apologies:

Jim O'Brien – Dept. of Finance

Prof. P Clinch – Dept. of An Taoiseach