

Report of Tax Strategy Group Meeting on 10 October 2006

Minutes of the meeting on 26 September 2006

(TSG 06/15)

1. The minutes of the meeting of 26 September 2006 were agreed.

General Excise Duties

(TSG 06/16a)

2. The Group was briefed on the yields and current issues in relation to excise. This was followed by a wide ranging discussion on the topic. It was noted that excise receipts for tobacco were up in 2005 and are growing for 2006. Alcohol receipts were also up. The Group noted also that the second report of the Strategic Task Force on Alcohol recommended that excise duty on alcohol be increased ‘with a view to reducing overall consumption and related harm’. In relation to excise on oils, the Group noted that receipts are up on the same period in 2005.

Vehicle Registration Tax

(TSG 06/16b)

3. A general discussion took place following the presentation of this paper. The paper provided briefing on the existing VRT system and options to be considered in moving to a more CO2 emissions related VRT system. The Group noted that the Department of Environment, Heritage and Local Government expressed their support for a restructuring of VRT in order to impact on greenhouse gas emissions.

Major Tax Incentives/Expenditures

(TSG 06/17)

4. This paper was supplied to the Group for information purposes and provided details on issues surrounding Tax Relief and Tax Incentive schemes. The information was discussed by the Group.

VAT on Property

(TSG 06/18)

5. A paper dealing with the current system of applying VAT to property transactions and the various proposals for change arising from a Revenue review of VAT on property was presented to the Group. A general discussion on the issues raised took place. Goodbody Economic Consultants were commissioned by Revenue to review the impact of the proposals on the market and their conclusions were noted by the Group. .

Number of income tax earners who actually pay income tax at the higher rate. (TSG 06/19)

6. This paper was prepared by Revenue and was distributed at the meeting. Any issues arising from this paper will be brought up at the next meeting on the 24th October.

Attendance list and Next Meeting

7. The attendance list for the meeting is attached. The next meeting is scheduled for 24 October 2006 at 10.30 am in the Department of Finance.

Rory O'Kelly

10 October 2006

TSG Attendance list of 10th October 2006

Department of Finance:

Kevin Cardiff

Pat Murphy

Liam Murphy

Paddy Barry

Ray Kavanagh

John Burke

Jim Stafford

Georgina Hughes Elders

Rory O' Kelly

Department of the Taoiseach:

Gerry Hickey

John Callinan

Revenue Commissioners:

Josephine Feehily

Eamon O'Dea

Liam Hennessy

Kieran Coyle

Charlie Phelan

John Shine

Clare Robson

Department of Enterprise Trade and Employment:

Denise Mullins

Office of the Tánaiste:

John O'Brien

Cormac Lucey

Department of Social and Family Affairs

Marie O'Neill

Department of Environment, Heritage and Local Government

Owen Ryan

Apologies

Caroline Daly