

## Budget 2008: Pre-Budget Submissions and Meetings

The Minister for Finance receives written submissions from both individual members of the public and organisations in the weeks prior to the introduction of the annual Budget.

These submissions outline the specific views of the individual or interest group and cover both taxation and expenditure issues in the forthcoming Budget.

The issues raised in these submissions are considered in the context of the Budget and Finance Bill.

Attached is a summary of the main points in the submissions made by the main organisations the majority of whom are parties to *Towards 2016*.

Oral briefing will be provided on issues raised in the submissions.

The Group may wish to consider the issues raised.

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# **Irish Business and Employers' Confederation**

## **Fiscal policy**

- Budget 2008 can improve Ireland's competitiveness by supporting measures that will assist productivity growth and control Ireland's cost base
- Government must ensure that administered prices do not rise in excess of the harmonised rate of inflation
- Growth in current expenditure should not exceed the Department of Finance's forecast for nominal GDP growth in 2008
- Investment planned under the NDP should be delivered in full and on time and some aspects of NDP investment should be accelerated. In particular, Government should use the opportunity provided by the slowdown in the residential construction sector to fast-track investment in social and affordable housing

## **Taxation**

- Budget 2008 should extend unilateral relief and credit pooling to royalties derived from trade or business
- The priority for personal taxation in Budget 2008 should be the full indexation of tax bands and credits
- No substantive changes should be made to the PRSI regime until a full review of social security policy and mechanisms in Ireland is completed, possibly through the work of the proposed Commission on Taxation. In the interim, however, the lower employer rate threshold should be indexed such that full account is taken of the lack of indexation in recent years
- In order to keep pace with recent developments in other jurisdictions, Ireland should move to a participation exemption scheme on foreign dividends
- Stamp duty on shares should be abolished as Ireland remains significantly out of line with practice in other countries
- In order to promote greater employee financial involvement in enterprise, existing reliefs in relation to share option schemes should be replaced with a simpler mechanism to reflect current practice these new measures should be extended so that they apply equally to both share options and restricted share awards
- Capital allowances for environmentally friendly company cars should be increased to €36,000
- The anomaly on excise on mineral fuels should be removed so that the industry can benefit from the same payment period as that enjoyed by other sectors such as alcohol and tobacco and in order to bring it into line with international practice.

## **Enterprise Supports**

- A full review of the R&D tax credits scheme should be conducted in 2008 so that any changes can be implemented in Budget 2009 and companies can be given certainty in relation to the future operation of the scheme. This review should consider the introduction of a hybrid scheme based on benefit on an incremental basis for capital investment and a full volume basis for non-capital expenditure
- Budget 2008 must provide a dedicated funding envelope to ensure that the commitments to support the manufacturing sector set out in Towards 2016 are fully delivered
- The international marketing capacity of firms should be strengthened through the provision of increased funding to the Export Orientation Programme (EOP)
- Introduce Individual Learning Accounts, initially targeted at hard-to-reach individuals e.g. low-skilled, working in small firms
- Extend existing employee tax credit to include fees paid for any training or course that leads to an National Framework of Qualifications (NFQ) level within appropriate time limits. Increase

tax credit limits for individuals studying at NFQ levels 8 and above to reflect tuition fees and associated costs

- Introduce an employer's tax-credit on the costs incurred through training and education. The credit could be weighted in favour of employees at NFQ level 3 or lower
- Increased support is required to develop Ireland's international marketing capacity through greater funding for the Export Orientation Programme
- The review of the R&D tax credit scheme should consider the introduction of a hybrid scheme based on benefit on an incremental basis for capital investment and a full volume basis for non-capital expenditure
- Budget 2008 should adjust the tax credit scheme by increasing the percentage of expenditure allowed for sub-contracting to commercial research organisations to 20%. A cash equivalent payment scheme for non-profit making SMEs unable to benefit from the tax credit scheme should also be introduced in this year's Budget in place of carry forward.

### **Energy, Infrastructure and Public Services**

- Dividends from the semi-state energy companies should be ring-fenced for investment in the sector's infrastructure
- A proportion of fuel excise and VAT revenue should be ring-fenced for energy efficiency measures, including the provision of accelerated capital allowances for accredited energy efficient equipment
- Balanced regional development should be supported through the fast-tracking of NDP funding for projects benefiting the gateways and hubs
- A capital funding envelope must be provided for energy infrastructure of strategic importance including gas and electricity networks and east/west interconnection
- Budget 2008 should provide fiscal incentives for softer measures aimed at reducing peak time traffic congestion
- Public procurement processes should be amended in order to provide greater contract opportunities to SMEs.

### **Social Infrastructure and Quality of Life**

- Targeted subvention for childcare costs should be introduced for low and middle-income families. This should take the form of a voucher payment scheme available for second and subsequent children under the age of 13 in paid childcare
- Budget 2008 must provide a clear timeline and funding for the national roll-out of one year early childhood education, as committed to in the Programme for Government
- Budget 2008 must allocate funding for the provision of English language training for adult migrant workers in Ireland.
- More aggressive supply-side measures are needed to increase the availability and flexibility of childcare options. Investment in new facilities and staff training already planned under NCIP should be complemented by a review of planning and other procedures which restrict our capacity to meet demand
- Out-of-school services for older children need to expand quickly and the use of school buildings for the provision of such services should be actively pursued
- The early childhood supplement should be reviewed to assess its impact and effectiveness
- Budget 2008 should allocate increased resources to the Early Years Education Policy Unit in order to develop a comprehensive strategy for early childhood education
- Funding must be provided for a National Integration Strategy
- Financial support is required for measures and programmes promoting anti-racism and anti-discrimination.

## **Irish Congress of Trade Unions**

### **Inflation**

- Inflation remains a serious concern and Congress is particularly worried by recent increases in food prices.

### **Health**

- Congress holds that the co-location initiative will cause irredeemable damage to our health system and it would not stand up to any form of scrutiny, financial or medical.

### **Schools**

- It is clear that both the planning process and school building programme are seriously deficient. The building of large-scale developments minus any facilities must become a thing of the past.

### **Housing**

- Production of all forms of 'social housing' must increase.
- There needs to be better supports for low income households to purchase their own home.
- Government must replace local authority homes which have been sold.
- Introduce a middle tier affordable housing option for those whose income is above the threshold for local authority housing and incremental purchase.

### **Taxation**

- Increase the individual's personal tax credit by € 100 and the employee's tax credit by € 350 – a total of € 450 pa.
- Budget 2008 should not reduce the top rate but increase the individual's standard rate tax band by € 4,000.
- The health levy should be increased from €480pw to €548pw.
- PRSI earnings exemption threshold should be increased from €287pw to €442pw.
- PRSI tax free allowance should be increased from €127pw to €217pw.
- Introduce a measure that would provide favourable tax treatment of earnings from approved gainsharing schemes.

### **Proposed Review of Taxation**

- The proposed review of taxation is welcome and should help to establish a system of taxation whereby all citizens contribute in an equitable fashion and inefficient tax breaks and other distorting features are eliminated.

### **Rewarding Work**

- Taxes on inheritances are too low.

### **Tax Breaks are Expenditure**

- Congress welcomes the proposed establishment of the Commission on Taxation as an opportunity to fully review the efficiency and equity of the whole Irish Taxation system. However, this review must be evidence based and grounded in an overall philosophy of equity, combined with economic efficiency and the recognition that taxation is an integral part of a modern society and not as a burden. The Commission should also address the clear link between public spending and taxation and attempt to inform the public of the wide choices available to them through this linkage.

### **PRSI Reform & the Social Insurance Fund**

- Congress will oppose any removal or upward shift in the PRSI ceiling that is not accompanied by a commensurate reduction in the rate, particularly with regard to middle income workers.

### **Government Facilitating Tax Avoidance**

- Tax breaks are of dubious benefit in a thriving economy and serve merely to undermine equity and fairness in the tax system. Now that we know the real cost of some of these ‘incentives’ in cash terms, Government should terminate most of them immediately.

### **Corporation Tax Competition**

- EU member states should collectively address the issue of Corporation Tax coordination, to avoid a ‘race to the bottom’

### **The Bank Levy**

- Congress is calling for a new Bank Levy based on deposits

### **Indirect Taxation & Inflation**

- Government policy has contributed to the recent rise in inflation and must now take a lead in reversing the trend
- Congress demands that the Government reduce the VAT rate from 21 percent to 20 percent, or even lower.

### **Tax Advantages for Private Equity Firms**

- Asset-stripping Private Equity firms should not enjoy tax advantages over normal commercial companies

### **Climate Change**

- The EU should consider reducing the taxes on imports of biofuels from developing countries, which can be as high as 50 percent. Further research on biofuels is required before new subsidies are made available to industry and farmers, as it appears that the technology remains undeveloped.

### **Emissions Trading & Carbon Taxes**

- Taxation has a key role to play in addressing climate change, but Congress will not accept state subsidies that will result in price rises
- The issue of climate change is one which has to be addressed and taxation must be part of the solution, but it must be framed in a way which is equitable. Congress looks forward to the work of the Commission on Taxation, in this area.
- Congress is of the view that all new vehicles sold from early next year should be taxed on the basis of actual pollution on driving and also on the environmental cost of their actual manufacture. Consideration should also be given to higher duties on SUVs of large size which reduce road visibility to other drivers.

### **Taxes & Royalties on Oil and Gas**

- While the introduction of a new tax on oil and gas profits is welcome, a tax on production would be more transparent and efficient

### **Security of Oil & Gas Supply**

- For security of supply reasons, Ireland must have first right of refusal on any oil and gas found in our territories.

## **Capital Taxes – Rewarding Work**

- Congress believes that the whole area of tax avoidance by extraordinarily wealthy individuals must now be legislated for and action taken to clamp down on the tax exiles.

## **Evasion, Avoidance & Other Taxes**

- Revenue must pursue avoidance and evasion in all sectors of the economy.

## **Health**

- Extend Medical Card coverage to 40 percent of the population
- Increase funding for specialist services working on Violence Against Women
- Greatly improve Primary Care in Ireland.
- Greatly improve Community Medicine.

## **Adequate Resources for a Just Society**

- Congress is seeking the development of the world class public services expressed in Towards 2016.
- We are seeking greater protection for workers with particular life events such as redundancy, unemployment, ill health and disability along with more support for working families and a greater work life balance.
- The NDP established the minimum financial envelope of resources needed for the achievement of key strategic social objectives. This Budget must provide sufficient resources to ‘kick start’ and give confidence that these essential elements of the plan will be realised.
- Sufficient resources must be made available for full implementation of the *Towards 2016* commitments, on the new employment rights regime.

## **Supporting Working Families**

- Congress are seeking improved Maternity and Paternity Leave.
- Fathers should be provided with one month’s paid Paternity Leave.
- We are recommending the introduction of *Staying in Touch days*.
- Congress are seeking the introduction of a Payment for Parental Leave.
- The level of Maternity Benefit needs to be increased to provide a level of payment closer to actual wage levels.
- Congress are seeking a Legal Right to Flexible Working.
- Congress are seeking free Early Childhood Care for 3-4 year olds
- Introducing a childcare voucher system.
- Develop an *exemption from income tax for childcare expenses* scheme similar to the Monthly /Annual Bus/Rail Pass scheme;
- Introduce a *childcare tax credit* and making it refundable to better assist lower paid workers;
- Congress are seeking better in-work benefits for working parents.
- Congress is seeking that the minimum wage remains outside the tax net.
- Congress is seeking the introduction of a 2nd tier child allowance paid to all families below an income level regardless of work status.
- Congress is seeking Improvements to the Family Income Supplement; an increase in the income thresholds and for the means test to take work related costs such as child care and the annual bus/rail pass into account when calculating the families overall earnings.
- Reduce the stigma of applying for secondary benefits by introducing a single means test and increase the amount that can be earned (a minimum of €338 for a single person) before someone loses much needed benefits.
- Provide for a more tapered withdrawal of benefits.
- Ensure that all families entitled to receive FIS are actually receiving this much needed income support and review the need for a 12 page application form.

- Congress is calling for this budget to end unfair treatment and ensure equity of treatment between different household types and recognition for cohabiting and same sex couples and their relationships, in respect of the tax and social welfare systems.
- Increasing incomes for those on Social Welfare
- We are calling for an minimum increase of €14.20 a week, bringing the lowest social welfare payment up to €200 a week. Pro rata increases for other payments in line with commitments should be made.
- Congress believes that its time to consider the re-introduction of a Pay Related element to Unemployment Benefit so as to ensure greater income security that guarantees that workers would receive a greater proportion of their previous wages.

### **Increase Qualified Adult Dependant Allowances**

- Government has promised to increase the qualified adult payment for state pensions to 100% of the non contributory pension rate over the next two years. Congress is calling for action in this budget. All other qualified adult dependant payments should reach 100% of the non contributory level by 2010.

### **Direct Provision for Asylum Seekers**

- This Budget should reinstate child benefit as a universal payment, paid to every child living in Ireland.
- Congress is seeking an increase the ‘direct provision’ payments for people waiting for a decision on their claim for asylum or leave to remain in Ireland.

### **Increase Payment to Carers and make Carers Leave more Supportive of Carers**

- Congress is calling for a significant increase in the Carers Benefit and Allowance to €250 a week, we are also calling for the income disregards to be increased to allow carers earn more from their part time work. We are also calling for more imagination in the scheme, measures to allow caring to be shared by relatives and to change from full time to reduced / part time hours would improve the scheme. We are calling for an entitlement for employees to share an entitlement to Carers leave for example on a one day a week basis. We are also requesting that workers be provided with a right to flexible working arrangements that will facilitate a better combination of carers leave and work. Carers should be allowed to continue in employment because this can be very beneficial to the carer not just financially but also because it allows the carer the opportunity to stay in contact with their work and career.

### **Pensions & Older People**

- Congress is calling for an increase and reform of the State pension, for more to be done to protect defined benefit occupational schemes and for incentives to improve pension take up.

### **Ensuring Income Security in Retirement**

- Introduce an additional earnings related component to the Old Age Contributory Pension to guarantee workers an increased level of income replacement based on earnings in retirement.
- In light of evidence that retired people currently face a high risk of poverty, priority must be given to increasing the flat rate of the Contributory and Non Contributory pension.
- Given the higher at risk of poverty rates among women in old age this budget must deliver significant progress towards meeting the government commitment to increase the qualified adult payment for State pensions, paid mostly to women, to 100 percent of non-contributory pension.
- Companies must comply with their pension commitments and provide employees with adequate pension coverage.

### **Improved Benefits for those over 66**

- Congress is seeking the incremental extension of the entitlement to ‘free schemes’ to all pensioners over 66 years.

### **Care Services for Older People**

- The development of third age communities or retirement villages as a semi independent place to live within existing communities needs to be supported by local authorities.
- Support and expand home support packages that provide care and priority access to community health services such as the Slán Abhaile programme to a national basis.
- There needs to be an increase in home care packages along with a sustained increase in residential beds for those who can no longer live in their homes.
- Ensure sufficient funding for palliative care and other supports in the community
- The social services inspectorate needs to be given adequate resources and the standards set by HIQA for long term residential homes need to be adequately enforced
- The new subvention scheme needs to be implemented as soon as possible to ensure fair and equal treatment of all older people in long term residential care
- Home Help services need to be extended to all those who need them and the number of hours need to be increased
- Increase funding and coverage of the rural transport initiative to ensure that older people living alone can get more active in rural communities.
- Issue travel vouchers to older people living in rural areas who cannot access public or other transport
- Provide adequate funding to community centres to provide facilities for older people
- Increase the Age Tax credit to ensure older people can earn more.

### **Improvements in the lives of People with Illness or Disabilities**

- Congress is seeking the introduction of a Cost of Disability payment based on a tiered needs assessment system comprising in the first instance of three tiers, €40, €80 and €120.
- Congress calls for early implementation of the welcome commitment in the Programme for Government to “*Allow people with disabilities to work without losing key essential medical card cover after three years*”;
- More needs to be done to help people with disabilities to remain in work and to take up work. Congress calls for the extension of the wage subsidy, back to work allowances and supported employment schemes to assist people with disabilities in the labour force.
- The recent media interest in sheltered workshop services is welcome, and comes after many years of Congress calling for the draft code of practice for sheltered workshops to be implemented. It is to be hoped that the attention now focused on the issue will finally bring about the political will to seriously address the issue. The Government, particularly the Department of Health and the Department of Enterprise Trade and Employment, must now implement this code of practice, create the regulations and statutory allowances and direct resources to ensure that people with disabilities receive their rights and adequate supports.
- Congress is seeking the introduction of a Second Tier Invalidity Pension payable to those who because of the seriousness of their condition will not be in a position to earn in their lifetime an average income.
- Congress recommends that the Government examine the introduction of a social security payment which will offset the negative income consequences and provide for income security for a period of at least the first 6 months to cushion workers who are out of work due to a severe illness.



### **Migration & Social Integration**

- Labour mobility brings benefits to society and to the migrant themselves, but the degree to which this occurs can be dependant on the extent to which social inclusion and social integration are facilitated, supported and achieved. We want to avoid a situation where local communities will become characterised by limited social integration and tensions between neighbours. We should not allow the growth of polarised dissatisfied excluded second generation communities evident in other EU member states. If we are to avoid this, pathways to social inclusion and social integration need to be thought through, properly planned and provided. This requires investment - it cannot be left to chance.

### **Building Integrated Workplaces**

- Congress welcomes the appointment of the Minister of State for Integration and the planned formation of the Integration Task Force and urges that it be fully resourced so that it can do its very important work. Congress seeks adequate representation for trade unions to participate in this task force. In addition we are seeking resources for more partnership programmes, such as language training and anti-discrimination, bridge building, positive relations, integration actions at the level of the enterprise so that employers and unions are able to meet the challenge posed by the broad cultural diversity now present in the Irish workplace.

### **Building Integrated Communities**

- We are calling for the provision of a dedicated budget line to support the development of the refugee community and other immigrant-led organisations.

### **Arts Culture and Sport as a Bridge to Migrant Communities**

- Congress is calling for resources to reach the Irish Sports Council targets and for increased supports for sports infrastructure and sporting organisations particularly those that can address exclusion, inequality and integration.

### **Combating Second Generation Exclusion**

- Resources to fulfil the Towards 2016 commitment to enhanced support for the effective integration of non English speaking children of migrants at both primary and second-level through the provision of an extra 550 language support teachers by 2009 and the reform of the current limit of two additional teachers per school must be provided.

### **Measures To Combat Indebtedness**

- Congress believes that the way we deal with indebtedness and debt enforcement is in urgent need of overhaul.
- Congress recommends that the reform of the legislation would also address the recent growth in 'earn at home' schemes some of which have characteristics similar to Pyramid schemes and charge the person much more money than they could hope to earn from the scheme.

### **Overseas Development Aid**

- Congress welcomes the attainment of the interim target of 0.5% of GNP by 2007 and urges further increases in this budget to ensure the attainment of Ireland's commitment to reach 0.7% by 2012, and towards the next interim target of 0.6% by 2010. Congress notes the current review of Irish Aid's management capacity and urges significant investment in staff development to ensure the full implementation of the White Paper.

### **Tax Treatment of Charities**

- Introduce a V.A.T. Refund Scheme whereby V.A.T. is refunded on qualifying expenditure to Registered Charities.

## **Trade Unions Subs**

- Increase the Tax Credit for trade union subs to €120.

## **Construction Industry Federation**

### **Macro-Economic Outlook and Competitiveness**

- Re-build confidence in the Irish economy and attract direct inward investment to underpin economic growth.
- Maintain prioritised capital investment in all areas of productive and social infrastructure, coupled with a disciplined approach to current expenditure. In framing of Budget 2008 Government should borrow up to the limits permitted in the Stability and Growth Pact if required.
- Priority must be given to the creation of a competitively priced and secure supply of energy, utilising all potential sources of electricity.

### **Public Expenditure, National and Regional Development**

- The growth rate of current Government expenditure must be less than the nominal GNP growth rate.
- Effectively manage and monitor Government capital expenditure to facilitate efficient delivery of projects from planning to construction.
- Achieve greater balanced regional development.
- Increased transparency regarding the basis of collection and expenditure of capital development schemes and improved consultation with the construction industry in the provision of local infrastructure.
- A review of the relationship between Government and the Irish construction industry should be undertaken.

### **Taxation and Fiscal Policy**

- The top rate of stamp duty on all transactions, including housing, must be reduced to 5 per cent.
- Continued commitment to opposition at EU level of increased rates for VAT for labour intensive industry.
- In a period of 5 per cent inflation, Government must commit to reindexation of capital gains tax.
- Reduction of the standard rate of income tax to 18 per cent to manage inflationary costs to employers.

### **Housing**

- Large-scale reform of the stamp duty regime on housing in Ireland, incorporating reform for all classes of purchasers, including a new top rate of 5 per cent as a necessary measure to restore confidence in the housing market.
- Commit to the linking of mortgage interest relief for first time buyers to the ECB rate.
- Current 2 per cent base rate for stress testing (plus margin of 0.75 per cent) should be reduced.
- The Affordable Homes Partnership should be enabled to conclude Part V agreements across the State.

### **Environmental Issues**

- The funding of the creation of a national institute for construction innovation.
- Encourage and support the use of new products and processes in to the Irish construction industry.
- The development of a nationally co-ordinated policy to oversee the use of extended capital allowances for owners of buildings to undertake renovations in order to reduce energy usage.

- Creation of a water services capital infrastructure authority, and improvements in the management and delivery of waste and waste water infrastructure.

### **Enterprise support and Better Regulation**

- Commitment to full, published regulatory impact assessment following meaningful consultation with all stakeholders.
- National co-ordination of urban living design guidelines to create a national policy and therefore improve efficiency in delivery of urban housing.
- The creation of support mechanisms to promote innovation in the industry, to introduce new products and processes and training and development, especially for those whose native tongue is not English.

## **Irish Farmers Association**

### **Income Tax**

- All taxpayers should benefit equally from increases in personal tax credits in the 2008 Budget.
- Direct the new Commission on Taxation to examine the equity issue in relation to personal tax credits for self employed, and either justify this ongoing discrimination or recommend to have it ended by Government.
- Treat the Sugar Beet Diversification fund payments to farmers as capital rather than income.
- Remove tax exempt income from Woodlands from the application of the horizontal measure

### **Capital Gains Tax**

- No CGT should apply where joint ownerships of farms are broken up and the jointly owned assets are divided and then transferred to the individual owners.
- Introduce a targeted CGT farm consolidation relief whereby the proceeds from the sale of farmland by farmers can be used to acquire other land for the purpose of farm consolidation, without charges to Capital Gains Tax.
- No Capital Gains Tax should arise on the disposal of farmland to a local authority for road building or road widening purposes provided the proceeds of the compensation are reinvested in farm business assets where it can be demonstrated that the re-investment is necessary for future farm viability.

### **Stamp Duty**

- Increase the stamp duty rate bands for farm land.

## **Social Welfare & PRSI/ Pensions**

### **PRSI Coverage in the Context of Farm Families**

A time limited amnesty should be provided whereby retrospective contributions could be made. Where problems arise due to the exclusion, these farmers should be allowed to make retrospective contributions to provide at least a 98% pension.

- Allow farmers in the Early Retirement Scheme the opportunity to make retrospective pension contributions.

### **Farm Spouses.**

- The “spouses’ partnership” option for those currently in the workforce should be simplified and clarified.

- In the case of older spouses where the farm is in joint ownership and the spouse has no PRSI cover, an amendment to the IQA means-test is necessary to make some allowance for a de-facto partnership between the spouses.
- The Homemakers Disregard should apply from the first date of payment of child benefit. Also, PRSI “disregards” should be progressively transformed to credits.
- Extend eligibility for the special 50% state contributory old age pension to those aged between 60 and 65 years in April 1988. Furthermore, the Special pension rate available to the group aged between 56 and 60 years in April 1988 should be increased from 50% to 75%.
- The eligibility criteria for the State non-contributory pension should permit the earning of an equivalent amount of farm income to that applied to employment income.
- Restructure the Carers’ Allowance payment into two elements: (a) a flat-rate non means tested standard payment based on the needs of the person being cared for, and (b) a supplementary means tested payment, where the means are above a certain threshold.

### **Greener Home Scheme.**

- Re-instate at the grant rates and extend the scheme to include log stoves, boilers and gasifiers; it makes no economic or environmental sense that a farmer growing his own wood fuel would have to chip or pellet it to avail of the grant scheme. .

## **Irish Creamery Milk Suppliers Association**

### **Income Tax**

- Increase the Standard Rate Cut-Off Point to €37,000 (single) and €46,000 (married ,one income).
- Increase income exemption limits to €30,000 (married) and to €15,000 (single)
- Extend income averaging to part time farmers and farmers with spousal off farm income.
- Extend farmland leased land exemption to connected persons.
- Abolish the age limit to qualify for the income exemption from farm leases.
- Reduce the writing down period for plant and machinery from 8 to 5 years and allow for accelerated relief for expenditure qualifying under the Farm Improvement Scheme.
- Capital expenses incurred in developing rural enterprises or small-scale renewable energy projects should be allowed to be written of over a shorter period of time.
- Extend 100% Stock Relief to all full-time farmers up to a limit of €100,000.

### **Stamp Duty**

- Allow farmers offset stamp duty liability against income for tax purposes.

### **Capital Gains Tax**

- Allow farmers to offset CGT liability where land is sold for farm consolidation against income for tax purposes.

### **CAT**

- Exclude the principal private residence of the recipient of the gift/inheritance when calculating the 80 per cent 'agricultural property' clause.
- Allow farmers regarded as having carried on the business of farming for a period of ten years prior to entering a lease agreement to qualify for the Business Relief.
- Increase the thresholds for the Capital Acquisitions Tax to - €800,000 - donor and child/nephew/niece;
  - €90,000 between siblings;
  - €45,000 between any other person.

### **VAT**

- Charge all environmental goods and services used by farmers at 13.5% rather than 21%.
- Allow farmers to claim VAT back on all expenditure under the Farm Waste Management/Farm Improvement Scheme.
- A zero rate of VAT should apply to all investments in small-scale renewable energy projects.

### **Excise**

- Reduce the excise duty on green diesel should to zero
- Introduce a new biofuel excise relief scheme which ensures that the biofuel produced is an indigenous product.

### **Social Welfare & PRSI**

- Exempt pension premiums paid by self-employed from PRSI and Health contributions.
- Allow Farmers upon entering the Early Retirement Scheme to contribute to a private pension fund.
- Those affected by the introduction of mandatory PRSI contributions for the self employed in 1988 should qualify for the Special 50 per cent Contributory Old Age Pension where they have less than five years contributions and a full Contributory Old Age Pension where they have more than five years contributions.
- Extend Occupational PRSI risk benefits to all farmers.
- Allow all self-employed persons to qualify for the €200 disregard allowed for calculation of means in the non-contributory pension which is currently available to PAYE workers.
- Allow farm' spouses to make PRSI contributions in their own right where they are in gainful employment on the home farm
- Increase the Farm Assist Scheme disregard for means from self-employment (including farming) to 50 per cent.
- Increase the Farm Assist Scheme child disregards to €400 for the first and second child and to €650 for the third and each subsequent child.

### **Grants**

- The number of places in the Rural Social Scheme should be increased to 5,000.
- Introduce a 100% grant scheme for costs of connection to the National Grid for rural enterprises.
- The ESB should start providing net meters for domestic customers at no extra cost to the householder where a domestic mains supply is already in place.
- Introduce grants for all small-scale renewable energy projects, such as domestic wind turbines etc.
- A review of the REFIT scheme should be carried out to encourage Investment in anaerobic power plants and other technologies.

### **Macra Na Feirme**

- Introduce a Young Farmer Land Restructuring Relief to allow young trained farmers restructure their holdings without being liable for transfer taxes.
- Extend the 100% stock relief for young trained farmers be extended from the existing first four years to the first eight years in farming.

### **Farm Partnerships**

- Allow young farmers in New Entrant Parent Partnerships, who qualify for Installation Aid to automatically qualify for the young farmer top-up of 10% under the Farm Improvement scheme.
- Treat farmers in a registered partnership as individuals for the purpose of qualifying for all schemes and grants as is the case with the Rural Environment Protection Scheme payments.

- Allow additional partners join New Entrant Parent Partnerships without affecting their status as new entrants to farming with regard to priority access from the fixed price milk quota pool.
- Allow an expansion of partnerships to allow both dairy and non dairy farmers to form partnerships.

### **Well Drilling Grants**

- Allow farmers to be eligible for grant aid for drilling wells and installing water pumps regardless of their proximity to mains water supply.

### **Small Firms Association**

- It is vital that the personal taxation system for proprietary directors is redressed to ensure that our tax system encourages, rather than penalises entrepreneurs and owner-managers.
- Proprietary directors to receive a PAYE Allowance
- The SFA supports the Government's commitment to maintaining the 12.5% corporation taxation rate.
- All tax credits and tax bands should be indexed, and ensure that employees' real take-home pay is maintained.
- Fully evaluate the current PRSI system and to bring forward recommendations for its complete overhaul in Budget 2009. In Budget 2008, all thresholds and ceilings should be fully indexed in line with wage growth.
- No indirect tax increases, by way of VAT or excise duties in Budget 2008
- Examine the potential for actual decreases in indirect taxation.
- The SFA is advocating that the Government lower the 'standard rate' of VAT by 2% in Budget 2008 to 19%.
- VAT registration thresholds for small businesses, - it is critical that the Government now index thresholds on an annual basis to ensure the real benefit to small business continues to be felt.
- Chargeable Person - The proprietary director whose only source of income is his/her taxed-at-source-employment-income, has no tax liability at the time of filing the return, but is still obliged to complete the paperwork. This requirement should be removed.
- The three-week extension granted to individual taxpayers who file their returns online should be implemented for small businesses, incentivising online filing and reducing the administrative cost to small business.
- The SFA believes that the excise duty on fuel should be decreased to the agreed minimum rate for EU countries.
- The SFA also believes that the €100m dividend paid by the ESB and Bord Gais to the Government each year should be ring-fenced for investment in energy infrastructure and energy efficiency.
- Establish a specific SME volume-based R&D tax credit scheme.
- In order to support R&D in early stage businesses who do not have corporation tax liability, the Government should offer other supports, e.g. through a PRSI exemption for highly qualified staff in the first six years, rather than forcing the companies to wait until they are making profits to receive any return, by which time it may be too late.
- Expenditure eligibility should be extended to include third party or independent research (e.g. clinical trials), postgraduate student placements and R&D joint initiatives with third-level institutions and/or universities.
- SME-Specific fiscal incentives in line with other OECD countries with high levels of IP should be introduced in parallel to the expansion of the tax credit.
- Innovation Voucher Scheme - The SFA believes that the budget for the scheme should be doubled to €4m in 2008, following which a full review should be carried out.

- Initiatives by Employers on Childcare should not be subject to Benefit-in-Kind (BIK)
- Childcare: Targeted subvention by the Government for low to middle-income families
- Increased funding from Government to create more childcare places
- Childcare - Need for improved planning system
- Examine further tax-incentivising people to invest in supplementary pensions.
- The SFA favours raising tax reliefs for all people at work, regardless of income, to the higher rate of tax.
- Where an individual is outside the tax system, we believe that tax relief in the form of a tax credit should be given.
- The SFA also believes that the pension retirement facility of being able to opt for an Approved Retirement Fund (ARF) on retirement should be extended from the Self-Employed/Owner-Managers to include PAYE workers with defined contribution pensions.
- The SFA is recommending that the Emerge-developed pre-enterprise programme should be mainstreamed through the CEB network.
- National campaign should be undertaken by the Government in order to ensure that members of immigrant communities are encouraged to consider the option of self-employment and are made aware of the support providers in the enterprise arena.
- There is a clear need to support non-Irish nationals in the workforce in improving their English-language skills.
- Establish an employer's tax-credit on the costs incurred through training and education, similar to the R&D tax-credit, for incremental expenditure in excess of a designated base year.
- Extend the existing employee tax-credit to include fees paid for any training or course that leads to an NFQ qualification within appropriate time limits. Increase the tax-credit limits for those studying at NFQ levels 8 and above to reflect tuition fees and associated costs.
  - Divide tenders into smaller lots where possible (unbundling).
  - Amend the Financial Capacity Criteria.
  - The process should recognise the SME environment – the cost of preparing a tender and the limited resources available.
  - Reduce the cost and administrative burden of entering the tender process.

## **Irish Exporters' Association**

### **Taxation Blocking Staff Retention**

- The IEA calls for the introduction of a time limited relief for foreign based workers who come to Ireland.

### **Withholding Company Legislation is not Competitive**

- We would strongly urge the Minister to prioritise the negotiation of additional treaties.
- We suggest that a participation exemption should be introduced for all foreign dividends.

### **Intellectual Property (IP)**

- We ask the Minister to allow a tax deduction for the purchase price of IP over its useful life.

### **Closed Company Surcharge (CCS)**

- The IEA calls for the abolition of the 20% surcharge for closed companies on undistributed profits.

### **Export Credit Insurance**

- The IEA calls for the Minister for Finance to set aside a €100M reserve fund to support 50% of the claims of SME export insurance losses, in conjunction with the private sector.

### **Business Expansion Scheme – Fine Tuning**

- The IEA calls on the Department to ensure that the legislation for the extended BES scheme due out later in the year does not exclude companies on the basis of having prior receipt of State grant aid.

### **New Energy Economic Model required by Ireland**

- Prioritise the funding of the electricity interconnector to the UK.
- Introduce an LMG storage finance scheme with the private sector to give gas supply security.
- Incentivise industry to carry out the required R&D to turn our primary asset for energy potential, the sea, into usable “wave energy” power stations.

### **R&D – Interpretation of Definition**

- The IEA calls for an alignment of the legislation on tax credits to the accountancy profession definitions.

### **Physical Infrastructure Investment**

- The IEA request that the Department of Finance revisit the new NDP (2007-2013) and allocate funding for port development in line with the need to ensure Ireland’s port infrastructure can take the estimated 60% growth in capacity forecast for the seaports to handle our international trade growth in the period.
- The IEA recommendations to invest up to €35 million per annum should be adopted by the Department of Finance. The fund should be used, similarly to that in the UK, to support:
  - User grant for use of rail freight by industry
  - Tax relief for road kilometre avoided
  - Capital grant support for private sidings erected by private industry
- Any funding shortfall at Dublin airport should be met by the Exchequer.
- The Shannon Airport development must be funded by the Exchequer for a period of 5 years, if it is to counter the loss of the Aer Lingus direct flights to Heathrow, and expand its freight operations.
- Inequitable capital loan burden from a prior administration is stunting the development plans for Cork and damaging regional development. This loan should be written off by the Exchequer in the up-coming Budget.
- The IEA recommend that the Dept. of Finance factor into their budget estimates the Construction Industry Federation’s (CIF) estimate of the €15 billion investment required in the period up to 2010 to complete the National primary roads upgrade programme.

## **Conference of Religious of Ireland**

### **Taxation**

- Make tax credits refundable (to address the *working poor* issue).
- Increase tax credits so as to keep the minimum wage out of the tax net.
- Further expand the levy on financial institutions introduced in Budget 2003.
- Restructure motor taxes.
- Standard rate all discretionary tax expenditures.
- Introduce a speculative tax on windfall gains from land rezoning.
- Increase the tax-take from property (e.g. through a land rent tax).



### **Income Distribution**

- Increase the lowest social welfare rates by €13.20 a week for a single person.
- Increase child benefit substantially and do not tax it.
- Move towards individualisation of social welfare payments by increasing the qualifying adult payments to 100% of the adult rates.
- Introduce a cost of disability allowance.
- Expand the increase in free electricity units so that it goes to all social welfare and FIS recipients.

### **Work/Unemployment /Job-Creation**

- Increase the number of places providing quality education and training, retraining and upskilling.
- Expand opportunities for unemployed people to gain work-place experience
- Provide adequate numbers of places on programmes such as Community Employment.
- Resource the development of employment-friendly income-tax policies which ensure that no unemployment traps exist.
- As part of the process of addressing the working poor issue, reform the taxation system to make tax credits refundable

### **Public Services**

- Target funding strategies to ensure far greater priority is given to providing an easy-access, affordable and high quality public transport system.
- Provide substantial additional resources for the development of library services.
- Adopt further information technology programmes to increase the skills of school children, early school-leavers and the unemployed.
- Take the initiatives required to ensure broadband is available nationwide.

### **Housing and Accommodation**

- Acknowledge that everyone has a right to appropriate accommodation and develop policy from this perspective.
- Provide the resources to local authorities and to the voluntary/nonprofit housing sector to ensure an increase of 9,000 social housing units in 2008.
- Provide sufficient resources to address the housing problems of those with a disability

### **Healthcare**

- Fund 100 additional primary care teams as committed to in *Towards 2016*.
- Give far greater priority to community care.
- Resource the infrastructural requirements of rolling out the commitments on long-stay care.
- Raise the eligibility level for the full medical card.
- Work towards universal access in primary care.

### **Education**

- Substantially increase funding to address the adult literacy crisis.
- Prioritise funding for primary and family-based pre-school education.
- Provide 'early start' programmes in all disadvantaged communities (including those outside disadvantaged areas).
- Further prioritise Adult and Community Education.
- Introduce a Basic Educational Allowance for full-time and part-time education for each person between ages 18 and 40 who does not proceed to third level from school.

## **Rural Development**

- Ensure the provision of basic infrastructure and services based more on equity and social justice, rather than on cost effectiveness
- Provide support for rural housing.
- Provide additional resources for the development of rural public services.

## **Environment**

- Resource the development of ‘satellite’ national accounts that include the costs of items such as environmental damage and resource consumption, and the value of a range of traditionally ‘unaccounted’ items such as unpaid work.
- Allocate the necessary resources to achieve waste reduction targets by implementing the relevant sections of the Waste Management Act.
- Allocate substantial additional resources to develop and reward recycling.

## **O. D. A.**

- Continue to increase the money allocated to Irish Aid (Ireland’s ODA budget) for poor countries so that Ireland continues to progress towards the UN target of 0.7% of GNP by 2012.

## **The Carers Association**

### **National Strategy**

- The Association urges that a comprehensive public consultations process be conducted and that the following 6 components be included in this strategy:
- Comprehensive services and supports for Family Carers
- Enhancing and supporting Carers’ health and well-being
- An adequate and fair system of remuneration for Carers
- Education and training for Carers
- Work-life Balance policies that support carers
- Access to up-to-date and accurate information
- The implementation of the Equality Authority Report on Carers is fundamental and should be intrinsic to the Strategy as the deadline of December 2007 will not be met, we call on the government to commit to a detailed work schedule to deliver the National Carers Strategy by June 2008.

### **Needs Assessment**

- Introduce a legal right to a comprehensive Needs Assessment for Family Carers, to include health and social issues.

### **Medical Cards**

- Provide all full-time Carers with medical cards and one comprehensive annual health check.
- A person with a diagnosed long term illness should have a long term entitlement to the medical card.
- Renewal of prescriptions should be extended from a three month period to a six month period.

### **Remuneration for Full and Part-Time Carers**

- Apply means test for Carers Allowance to the Carers income only.
- Increase the rate of Carers Allowance to €338 per week.
- Within a three year time-frame, introduce a payment for full-time Carers.
- Allow Carers to work 19.5 hours per week and be eligible for the Carers Allowance.

- Any income generated from this 20 hours per week work should not be taken as means. The anomaly currently exists where income generated from working part-time (currently 15 hours per week) as a home help with the Health Service Executive is not taken as means.
- Allow Carers to receive a full Carers Allowance in respect of each person they care for.
- Award Family Carers the fuel allowance as a non means tested payment.
- Abolish the Habitual Residency clause for people returning to Ireland to provide family care.
- Make all social welfare payments all week payments given that up to 15,000 carers will now be entitled to another social welfare payment but may not be able to collect the two payments on the same day e.g. Carers Allowance paid on Thursday and Old Age Pension paid on Friday.
- Give consideration to the introduction of a family Carers tax credit for part-time Carers, which can be claimed by a married couple, where one partner is providing care in the home for an incapacitated family member or loved one. This credit could also be claimed by a single person who is providing a high level of care in the home and working part-time outside the home.
- PRSI contribution should be awarded to Carers on the same basis as paid contributions. Also ensure that Carers will not be caught by the changed conditions for retirement pension. (520 paid contribution needed from 2012 to qualify for old age contributory pension compared to 260 at present)
- Ensure that the Carers Allowance section of the Department is adequately resourced to deal with the volume of applications in an acceptable and stated time frame.

#### **Income Tax**

- Provide funding to allow all full-time Carers access to accredited training in caring skills, which would be linked into the national framework of qualifications.
- Funding the development of specific back to work training programs for Carers whose caring role has ceased.

#### **Information**

- Implement legislation, to provide Carers with a legal right to information on their entitlements.

#### **Respite Care Grant**

- Increase the respite grant to €2,880, in order to allow the Carers' to take the statutory holiday entitlement of 20 days per year. (160 hours of home care services at €18 per hour)

#### **Carers Benefit**

- Carers' benefit model should be made similar to that of maternity benefit where the amount of benefit is based on a percentage of the applicant's salary. (Model used in Canada).

#### **Young Carers**

- As per National Agreement "Towards 2016" carry out research in 2007 to establish the issues and effects of caring on young Carers and introduce an appropriate programme of in-home supports.
- Introduce a budget of €5million for services for young carers.

#### **Services for Carers**

- Introduce a specific budget for the provision of in-home respite for all full time Family Carers to allow them to take at least a six hour break from their caring duties per week.
- Further increase the Home Care Package in Budget 2008
- Standardise, implement procedures for Home Care Packages
- Insure that the public health nurse service is properly resourced to deal with an expanding work load.

### **Core Grand Funding**

- Introduce a specific budget line for the funding of core grant issues for Voluntary Organisations operating in the Older Persons and Carers Sector. This is a vital requirement for sustainability of this sector.
- Provide sufficient funding for the Carers Association to sustain the current level of service provision and introduce multi-annual funding to maintain strategic development going forward.

### **Disability Federation of Ireland**

- DFI seek €20m to be set aside in Budget 2008 to address the core funding deficits within our membership.
- DFI calls on the Government to deliver the commitment made that ‘for each year of the Programme for Government, it will set out the objectives and outcomes to be reached in the NDS having regard to the vision and long term goals for people with disabilities as set out in ‘Towards 2016’. This needs to be done explicitly as part of the Estimated and Budget Process.
- Clear budget lines to be established in the Estimated and Budget 2008 in order to identify the funding directed to disability specific services and separately to mainstream services. This is necessary to be able to accurately review, monitor and report on the progress of the Government’s commitment to implement at least half of the NDS by 2010.
- DFI urges the Government to commit €5 million to fund the establishment of a Resource Support Centre for voluntary disability organisations. This Centre would provide information, and support organisation development to include collaborative working, governance, and financial management, within the overall context of maximising the impact of the NDS.
- Government to introduce a Cost of Disability Payment of approximately €40 per week. This should commence with the initial payment being made to all disabled people in receipt of means tested benefits, and then be extended to all people with disabilities. The total cost of introducing a Cost of Disability Payment would be €183m.

### **Irish National Organisation of the Unemployed**

#### **Income Adequacy and Other Supports**

- The basic social welfare payment should be increased by 10% to €204.38.
- The Qualified Adult allowance should be increased to 70% of the basic rate, bringing it up to €143.07.
- Qualified Child Allowance (QCA) should be increased to €25.
- Everyone who is solely dependent on a social welfare payment should be automatically entitled to a medical card.
- The Fuel Allowance should also be increased to €20.
- The Back to School Clothing & Footwear Allowance should be increased to €200 for 2-11 year olds and to €315 for 12-22 year olds.
- The income limits for accessing the Back to School Clothing & Footwear Allowance should also be raised. This would be one way, for example, of addressing the anomalies facing people participating on Community Employment.
- Resource the delivery of the social and affordable housing targets.

## **Welfare to Work**

- All anomalies in the social welfare system should be reviewed and addressed. At the very least where the old limit of €317.43 still applies it should either be removed or increased to €400.
- There should be consistency across schemes with regard to eligibility and the potential impact of participation on secondary benefits. Where changes are introduced to address inconsistencies the changes should be upwards.
- On the following Department of Social and Family Affairs programmes the eligibility criteria should be reduced to twelve months; Back to Work Allowance and Back to Work Enterprise Allowance.
- FIS should also be extended to participants on the Back to Work Enterprise Allowance.
- The income limits for Family Income Supplement (FIS) should be increased further.
- Accessing FIS should be automated through a flagging mechanism within the tax/welfare system.
- The daily income disregard should be increased to €25 or three hours work at the minimum wage rate.
- Reduce to 45% the deduction (of the net wages) from the welfare payment where a claimant has child dependents.
- Resource the delivery of accessible and affordable childcare.

## **Activation**

- The immediate provision of funds to rollout the 'Programme for Economic and Social Participation'.
- Recruitment to the Jobs Initiative programme should recommence.
- Resource FAS to ensure that participants on the NEAP are offered a quality employment or training opportunity within one month of interview.

## **Flexicurity**

- Re-introduce a guarantee that Jobseekers Benefit will replace a reasonable proportion of lost income through PRSI.
- Provide adequate supports for the life long learners who are participating in part-time or adult education courses.
- Follow through on commitments to improve public service provision with the delivery of accurate and timely information on people's entitlements and potential employment and training opportunities.

## **Pavee Point Travellers Centre**

### **An Integrated Approach**

- Establish and resource a National Traveller Agency with responsibility for co-ordinating of all service provision for Travellers.

### **Securing Adequate Income**

- The basic social welfare payment should be increased by 10% to 204.38 and the Qualified Adult Allowance should be increased to 70% if the basic rate bringing it up to €143.07.
- Bring the Child Dependent Allowance up to €33 per week.
- Pavee Point Calls for a significant increase in the income limit allowed before secondary benefits are affected. There should be consistency across schemes with regard to eligibility and the potential impact of participation on secondary benefits. Where changes are introduced to address inconsistencies the changes should be upwards. The limit of €317.43 where it still applies should be removed or increased to €400.

## **Education**

- Where the phased integration of Traveller specific pre-schools take place, ring-fence relevant budgets in a transparent manner to support intercultural responses in ECCE for Traveller Children.

## **Accommodation**

- Provide funding and sanctions to ensure that the 17 Local Authorities currently not meeting their own Traveller Accommodation Programme (2005-2009) Targets do so by the end of 2009 so as to ensure accommodation for the 629 Traveller families currently living on the roadside and the 391 families in shared housing – (more than one family in a dwelling designed for a single family),
- In the past a loan and grant scheme was operated to support Travellers to secure good caravans. Pavee Point is calling for the re-development of this scheme with a more consistent and effective roll-out across the country.

## **Developing Employment Opportunities**

- Recommence the Department of Finance initiative exploring access to civil service employment.
- Pavee Point welcomes the extension of the Special Initiative to Expand Employment Prospects for Travellers and we would urge the government to add a further two years and its expansion to other eligible regions and areas.
- Schemes such as CE and JI should be adequately resourced and supported and Travellers employment within the Community Sector should be recognised and supported also. Recruitment to JI should recommence.

## **Support for Community Development**

- Re-institute multi-annual funding and address low staffing levels 1.5 workers in community Development Projects.

## **Health**

- Pavee Point notes Travellers' marginal socio economic status, which is very evident in their poor health status: in this context the importance of the medical card cannot be overestimated. This is an enormous barrier to Travellers who wish to progress on from training and employment schemes to the mainstream labour market. Pavee Point is calling for positive action on this issue by proposing that Travellers retain their medical cards for five years after taking up employment.
- Travellers maintain the right to a medical card over a period of five years once they have entered the labour market either as an employee or self-employed as per the Report of the Special Initiative to Expand Employment Prospects for Travellers.

## **Society of St Vincent de Paul**

### **Child Income Support**

- Increase of at least €8 per week in the Qualified Child Allowance from €22 to €30.

### **Child Benefit**

- Increase of €10 to €170 in Child Benefit for one child and an increase of €15 to €210 per month for third and subsequent children.
- Restore Child Benefit to children of asylum-seekers, and those awaiting a residency decision.

### **Cost of School Allowance**

- We propose that a Cost of School Allowance, a new allowance, be created. This should be designed to cover the true costs associated with participation in education, including clothing, footwear and schoolbooks. The allowance should target families on FIS income levels, and be paid over two instalments during the school year, at an annual rate of €415 for under-twelves and €525 for over-twelves, followed by the January payment of €100 and €150 for over-twelves.

### **School Meal Scheme**

- The four school meals (School Meals Scheme, EU Milk Scheme, Bun & Milk Scheme and Food Dudes Programme) be amalgamated and delivered under a holistic integrated Healthy Schools Policy to be funded by the Department of Social & Family Affairs with the Department of Education & Science providing funding to upgrade school premises to allow delivery of the scheme.

### **Social Welfare Rate**

- Increase the adult social welfare rate for 2008 by €18 to €203.80 per week.

### **Qualified Adult Rate**

- Increase QAA to 70% of the basic personal rate, an increase to €142.66 per week.

### **One Parent Families**

- Raise the earnings ceiling at which lone parents become ineligible for the One Parent Family Payment to €450 per week from its current level of €400.

### **Pensions**

- The non-contributory pension is increased by €25 in 2008 to €225 per week.
- The contributory pension is increased by €18 in 2008 to €227.30 per week.

### **Living Alone Allowance**

- This payment has not been increased since 1996 and should be raised by 12.30 from 7.70 to €20 per week.

### **Family Income Supplement**

We propose that FIS is

- advertised regularly in a more ambitious and user friendly way, targeting low wage families using a variety of relevant media.
- Increased from €60% to 70% of the difference between net income and the current income ceilings
- Accessed via an application form which is reduced in length and written in accessible terms and a variety of key languages.

### **Fuel & Energy Costs**

- The payment of all fuel related payments from the beginning of September to then end of April, 34 weeks instead of the current 29 weeks.
- The provision for those on social welfare payments and families eligible for Family Income Supplement (FIS) with either (i) a weekly fuel allowance payment of €25 or (ii) the equivalent in an allowance for units of electricity or gas.
- An increase in the Smokeless Fuel Allowance from €3.90 to €10 per week.

### **Funeral Costs**

- Increase this grant by €550 from €850 to €1400.

### **Healthy Food for All**

- €10 million fund for pilot projects, to be delivered by Family Resource Centres, to provide community food initiatives. These projects will be for families on low incomes to address poor access to an availability of healthy food.

### **Indebtedness**

- Introduce a targeted savings scheme for low-income households and individuals which will incentivise them to take up, and continue, a savings habit.

### **Asylum Seekers**

- Increase the weekly child rate of Direct Provision of €9.60 to €35 – an increase of €25.40.
- Increase the weekly adult rate of Direct Provision of €19.10 per week for adults by €40.90 to €60

### **Early Childhood Care & Education (ECCE)**

- The Society asks for the speedy provision of a State funded EEC half day (3.5hrs) session every day for all children by 2012 in the year before they start primary school. As an interim measure this could be delivered via a subsidy system directly to providers until appropriate community based facilities are available.
- The Society asks for the prioritisation of disadvantaged children, not only in urban but also in rural settings, in the roll out of ECCE. This means going beyond the Towards 2016 and the NAPS commitments to (i) target the early education needs of children in areas of acute social and economic disadvantage (t16) and (ii) ensuring pre school education for children from the 320 urban/town primary schools (NAPS Inclusion) – to also include rural schools.

### **School Books**

- The introduction of free books for all school pupils over a five year period starting in 2008. The scheme will cover all schools, beginning with those in the DES School Support Programme.

### **Resourcing Key Agencies: NEPS and NEWB**

- Immediate steps must be taken to provide adequate funding for NEPS which will enable it to meet current needs.
- The current quota of one assessment per 50 pupils on the school roll must be at least doubled with immediate effect.

### **National Educational Welfare Board**

- Allocated adequate funding to staff its office and to fully carry out its statutory functions appropriately under the Education Welfare Act 2000.

### **Early School Leaving**

- Increase the funding provided for the School Completion programme from under 5% of the education disadvantage budget to at least 10%.

### **School Food Programme**

- We request that an interdepartmental approach is taken to developing a comprehensive, co-ordinated school food programme which provides schools with appropriate facilities to deliver meals.
- The School Meals Programme needs to be expanded to all schools beginning with those with disadvantages status (according to the Department of Education & Science) in the 2007/2008 school year.
- We request that capital funding is provided under the School Building Programme for the provision of school kitchens to enable appropriate provision and storage of hot meals for all



schools, both new build and existing, in the Department of Education & Science School Support Programme.

### **Social Housing**

- We ask that the minimum target of 8,700 social housing units per year for 2007, 2008 and 2009 must at least be met to make inroads into the current crisis. We hope that the higher NESC figure of at least 10,000 per year can be reached in that timeframe.
- Provide sufficient resources and budgets to both local authorities and voluntary and co-operative housing bodies to enable them to deliver on these targets, specifically by (i) increasing capital funding limits for social housing providers, given market rates and (ii) frontloading the new NDP money for social housing.

### **Private Rented Accommodation**

- We ask that minimum Standards Regulations for the private rented sector are updated and enforced.
- We ask that local authorities have sufficient funds to enforce compliance at local level.
- Through our members work, we know that rent caps cause hardship to many private tenants in receipt of Rent Supplement as many people are forced to make top up payments to their landlords. These top up payments can place tenants in a very serious financial situation. We ask for a review of rent caps.

### **Homelessness**

- We await the completion of the new Homeless Strategy and demand that the Government provides (i) adequate resources for greater support for all homeless families, ensures that the needs of homeless young people are met and that young people leaving care do not become homeless, (ii) housing and support Needs Assessment for those at risk of or who are currently homeless and, (iii) adequate and tailored social services for homeless people living in hostels.
- We fully support the proposal that a proportion of social housing units be allocated specifically to people experiencing homelessness. A way of achieving this would be to ensure that the €60 million collected by local authorities from construction companies in lieu of their Part V social housing obligations be ear-marked for housing people who are homeless.

### **Domestic Waste Charges**

- Allocate adequate resources to enable the introduction of a consistent, country wide system to assist both social welfare and low income households with their domestic waste charge. Approaches may include waivers or allocations of bags, tags and bins.
- Introduce a more flexible and frequent charging system to facilitate household budgeting.

### **Child and Adolescent Mental Health**

- We request the roll out of at least 8 additional child and adolescent mental health teams in 2008 so that the agreed figure of 40 additional child and adolescent mental health teams will be in situ by 2010.

### **Medical Cards**

- SVP asks that full medical cards are provided for 35% of all households, based on those on the lowest income levels, by 2012.

### **Health Charges**

- We request that the threshold for the Drug Refund Scheme is not increased from the current monthly ceiling of €85 but lowered to €55 monthly households whose income is equivalent to FIS levels and below.

- We request that the accident and emergency charge of €60 per unsolicited visit does not increase.

### **Roll Out of Primary Care Teams**

- We ask for the prioritisation of funding to adequately resource the delivery of the promised 300 primary care teams promised by end 2008.

### **Rural Transport**

- SVP asks the Government to increase funding for the Rural Transport Scheme from €7million in 2007 to €12million in 2008.

### **Tax and the Low Paid**

- The SVP requests that there are no further increases in VAT or excise rates.
- SVP requests an increase in tax credits to ensure that minimum wage earners stay out of the tax net after increases in NMW in July 07.
- SVP requests an examination of inequities in the taxation code and consideration of the introduction of Refundable Tax Credits within the proposed “Commission on Taxation”.

### **Family Income Supplement**

- At only 40% of eligible families, the take up of this scheme remains unacceptably low. Given the adoption of the Developmental Welfare State, it is essential that FIS becomes an automatic payment to eligible recipients, triggered by both the income and size of the family. This will require an integration of the tax and welfare systems as committed to in the new Programme for Government.

### **Charities and Tax**

- Establish a VAT refund mechanism for charities.
- Reduce the threshold whereby donations attract tax relief down to €100 from its current level of €250.
- Make charity shops statutorily exempt from payment of municipal rates.

### **Overseas Development Assistance**

- Deliver on the commitment to allocate 0.7% of GNP to Overseas Development Aid by 2012. Ensure Ireland’s policies towards developing countries across all Government departments are coherent with the goals of our overseas aid programme.

## **Irish Senior Citizens Parliament**

### **Social Welfare Payments**

- The Parliament is calling for the State pension to be set at 50% of average industrial earnings
- The present system of calculating entitlement for a State contributory pension needs to be reviewed to ensure equity in treatment particularly of women.
- The Parliament calls for an increased means disregard and employment earnings disregard in Budget 2008.
- It is stated government policy that people can continue to work up to age 70 although in some employments older people are required by their employers to cease work at age 65, however, the State pension is not payable until age 66. In the intervening year older people can draw the State transition pension which is at the level of the State pension. An overriding restriction which applies to this pension is that a person is not allowed to engage in insurable employment and, as a consequence, they are only allowed to earn €38.09 per week i.e. €3,174 per year. This is a huge disincentive to those who may want to continue to work and is in sharp contrast to the amount of

income disregard of €200 per week i.e. €10,400 which applies to the State non-contributory pension.

- The Parliament is of the view that any increase in the age of retirement should be voluntary with choices available to the person based on what is best for them.
- The Parliament continues to press for the introduction of a citizens pension i.e. one which would be paid to all persons in their own right.
- There is a commitment to bring the level of payment to the level of the State non-contributory pension within 3 years from 2007. From Budget 2008 we are seeking an increase for QAA over 66 of €37.00.
- The Irish Senior Citizens Parliament is disappointed that despite the commitment by Government in the Social Partnership Agreement Towards 2016 to publish a Green Paper on pension policy in Ireland this has not yet been published. We eagerly await its publication.
- The Parliament is seeking to establish a principle that the means test for the fuel allowance and other payments should be set at the tax exemption level which applies to older people who are exempt from paying tax.
- The Parliament is calling for a change in the operation of the free fuel scheme to enable older people to transfer their free electricity units to gas, whatever its source.
- The Parliament is calling for a National Programme of Home Insulation to improve the protection of older people and other vulnerable persons from the affects of cold weather.
- The Parliament is now calling for the Age Allowance to be increased to €12.00 per week. We are also calling for the age allowance to be extended to a dependent spouse over 80 years of age.
- The living alone allowance should be increased to €16.00 per week and extended to low income public service pensioners and to those who are in receipt of State pensions from abroad.
- There is a need for a further increase in the level of the respite grant as well as an increase in the number of respite facilities.
- The Parliament believes that a similar system to that of the pre-'53 contributions should now be introduced for the class D stamp and that every 4 class D stamps should be calculated as 1 class A stamp and used when calculating a State contributory pension.
- The Parliament is calling for the establishment of the surviving spouses pension at 50% of average industrial earnings, a special child allowance where they have children of schoolgoing age, the establishment of a national network of crèches to assist widows/widowers to return to work, a system of vocational training which will assist widows/widowers to prepare for employment and a recognition in the tax system of the difficulty that widows/widowers face in combining family responsibilities with the world of work. The Irish Senior Citizens Parliament is calling for the abolition of the means test for such pensioners.
- The Parliament calls for a better system of rent deduction so that pensioners do not have so much of their pension eroded by increases.
- The Parliament calls on the Minister to issue travel vouchers to older people living in rural.
- The Parliament welcomes the introduction of an all-Ireland travel pass, however, the fact that the spouse/partner of a pensioner must pay for travel in Northern Ireland is a hardship on pensioners whose spouse/partner is not yet 66.
- We welcome the government commitment in the to examine the introduction of free travel for Irish citizens of pension age when visiting Ireland and are seeking that this be extended to Irish resident pensioners when they visit European countries.

## **Taxation**

- The commitment to provide for tax exemption limits for older people should be enhanced in Budget 2008 so as to ensure that increases in pension for older people are not automatically eroded by increases in taxation.
- The Parliament is calling for the abolition of the health levy on pensioners and the levy on household and car insurance policies as these are a burden on low income pensioners.

- The Parliament is calling for the introduction of a system of refundable tax credits to bring about more equity in the tax relief system policy.
- The age allowance should be indexed and set at a rate of 25% over and above the single and married personal tax credits.
- New energy-saving heating systems such as wood pellet stoves, solar panels and geothermal heating systems should be made available and installed free of VAT.
- We are asking that where an older person/people are trading down that they be exempt from stamp duty for the new property.

## **Health**

- The Parliament asks that a central database linked to local government structures be established with particular emphasis on the anticipated needs of older people in respect of housing, increasing frailty and medical needs.
- A critical element of the Health Service is to have an adequate complement of doctors, specialists and other staff to ensure the delivery of a quality Health Service. As we write, the Parliament is aware of the current ban on recruitment.
- The Parliament is pleased to note the implementation of the new recruitment policy for doctors and also the changes announced to further expand the number of medical school places and allow easier access for students from other courses.
- The number of health professionals working both within the hospital system and in the GP area needs to be increased.
- We ask that optimum use is made of expensive technology through effective scheduling, if necessary on a 24-hour basis. Proper scheduling and maximisation of resources will no doubt help to alleviate waiting lists.
- The Parliament believes there is an urgent need for the Health Service Executive and the Department of Health and Children to undertake the implementation of a strategy to ensure both existing and future resources are used to their optimum.
- Additional primary care centres are a must. GPs must visit older people in their homes.
- A system must be put in place to outline and publish the policies, guidelines and targets which the Department of Health and Children has given to the Health Service Executive. In turn, the HSE must outline its action plans to achieve the policies as outlined.
- The HSE must do an evaluation based on what the Department of Health and Children requires from them and produce a plan which will deliver on the vision from the Department of Health and Children.
- There is a need for a public information campaign to inform older people and their families about the services available to them.
- The Parliament requests the extension of the medical card to people aged 65-69.
- The Parliament is calling for a free drugs scheme for those aged 65-69.
- The Parliament is calling for the allocation of sufficient funds for older people who are dependent on chiropody services by giving them an allowance or a voucher to visit a practitioner.
- Countrywide cancer screening for all older people with no age barriers must be put in place. The cut-off age for breast screening must cease. A screening programme for the prostate gland for men aged 50 and upwards should be introduced. There should be specific targeting of both men and women for incontinence and osteoporosis through the GP services.
- There is a need to develop a pro-active Health Promotion and Preventative Programme.
- Proper provision for a comprehensive range of care options to suit the individual needs of older people must be put in place in order to implement individual person-centered plans which are based on the needs of each person.
- The Parliament is calling for a fast-track approach to the admission of older people to hospital and a system which would endeavour to avoid admission through A & E Departments.

- GPs also have a role to play in the development of more integrated community care services for older people by assisting geriatric care services to identify patients who may be in need of the services of acute hospitals and this would help plan their admittance to hospital without having recourse to A & E departments.
- The Parliament is calling for the extension of the intervention team service provided by St James' Hospital to all other hospitals.
- The barriers to older people continuing to remain in their own community need to be dealt with on an integrated basis.
- Day Care Centres play a very important role in the care of older people. They provide older people with social contact particularly important for those who live alone and who often are lonely and suffering due to a lack of social contact. For older people living in inadequate housing they provide not just a hot meal and company but also a range of other facilities such as a bath and a variety of paramedical services and, at the same time, give a break to those who are caring for elderly relatives.
- The Parliament calls for the integration of the home help service into the general community care services for older people they receive training to qualification standards and be a full member of the multidisciplinary care team.
- The Parliament is calling for the home care packages scheme to be extended to all areas and for sufficient resources to be made available to provide a proper service.
- There is a serious lack of places in public facilities for persons needing Long-Term Care and Respite Care. Immediate steps must be taken to redress this lack of places.
- The action plan on dementia must be implemented.
- The Parliament believes the action that should be taken is that the HSE establish a co-ordination of how palliative care is carried out in Ireland and that the experts in this area be brought together to see how it can be developed within each hospital, and how they can co-operate to ensure that the community receives the best service possible.
- The Parliament is calling for the provision of additional non-acute hospital facilities throughout the country.
- The Parliament is calling for a strategic plan to provide a nationwide service as the present service does not cover all older people and its standard varies from area to area.
- The Parliament calls for a transport scheme to enable older people to access hospitals.
- The choice exercised by older people to remain in their own homes, which may be in isolated areas, should be respected by Local Authorities and other service providers. Arrangements should be made to ensure that all relevant services are fully supplied by the respective service providers.
- The delivery of a good primary care service free from any taint of age discrimination is of major importance to older people and there is a need for positive equality statements and policies to be in place in all health settings, and a mechanism put in place to enable complaints about failure in maintaining standards to be raised and dealt with by appropriate management.

### **Transport**

- The Parliament supports the improvements in rural transport to-date and calls again for its extension on a permanent basis so that all rural dwellers will have access to transport in their daily lives. There is also a need to improve transport services in urban and cities areas.

### **Housing and Waste Charges**

- There is a strong need to increase the supply of sheltered accommodation available to older people.
- In the design of the differential rents system provision should be made to ensure that increases in pensions are not automatically eroded by resultant increases in rent.

- The Parliament is calling for the introduction of a national waiver scheme to ensure that no older person should be required to pay Waste Charges.
- There is a grant programme in place for older people to get personal alarms through local voluntary groups. In some areas no such group exists or it is difficult for people to get information on such groups. The time has come to put this service on a national footing.
- There should be cctv (closed circuit television) monitors provided for all sheltered accommodation.
- We are calling for a grant system to assist older people with the installation costs of alarms.

### **Work**

- It is important that older people who return to the workplace do not lose any social welfare benefits including that of the medical card and other secondary benefits. In addition to other income tax allowances a special income tax allowance should be granted to older people who return to work.

### **Education**

- The Parliament is calling for a system of lifelong learning which recognises the needs of older people as well as those in the workplace.

### **Age Discrimination**

- The Parliament calls on all Parties in Government to develop and implement a new strategy to remove the inequalities that still persist in discriminating against older people, particularly in the areas of services, the workplace, income, pensions, membership rules in clubs and organisations and any others that need to be identified.

### **Television**

- That the Minister for Communications ensures that all Post Offices are equipped with audio induction loops for people with a hearing aid with a T-switch.

### **Arts and Sport**

- Provide funding through the Arts Council to promote greater participation by older people in the arts.
- The Parliament in particular is calling for a substantial increase in funding for the Bealtaine Festival which is organised by Age & Opportunity.
- The Parliament is seeking an increase in the overall grant made available to the Irish Sports Council so that older people's groups can be included and so benefit.

## **Chambers Ireland**

- Reduce the cost of tendering for Government contracts to promote the purchasing of services and products from start-ups, SMEs and consortia of SMEs
- Establish an Irish equivalent of the US Small Business Innovation Research (SBIR) Programme which has been designed to stimulate technological innovation and provide opportunities for small businesses.
- We urge the government to support start-ups and foster the development of wealth creating enterprises by seeking to raise the ceiling of BES schemes pertaining to SMEs to €10 million.
- We call on the Government to investigate the efficacy of applying tax exemptions on Capital Gains Taxes applied to "angel" type investors investing amounts greater than €150,000 in designated sectors with longer times to market such as biotechnology

- Chambers Ireland considers it appropriate for financial institutions to be encouraged to engage in venture capital (VC) operations.
- Abolish stamp duty on credit cards
- Either provide independent funding or introduce a new, broadly based local property tax and rebalance service charges equitably across the entire community.
- Standardise the VAT rate at 18%
- Index income tax bands and credits
- Taper capital gains taxes (CGT) to reduce compliance costs
- Establish tax relief vehicles to fund start-up technology companies which have significantly higher requirements for capital investment than conventional companies.
- Chambers Ireland supports the efforts of the Department of Finance to maintain the corporation tax rate at 12.5% and combat the roll-out of a common consolidated corporate tax base (CCCTB) in Europe.
- We call for the terms of reference for the Commission on Taxation to specifically state that it will complete its work by the end of 2008.
- Broaden scope for personal tax relief under sections 473a and 476 of TCA 1997 in respect of training and education
- Amend PAYE regulations to ensure the avoidance of any charge under BIK rules for sponsorship of training courses and exam fees;
- Chambers Ireland believes that there is scope for the Government to revisit with a view to updating and simplifying the Close Company Rules regime as it is currently implemented.
- Review all tax shelters and abolish tax relief for low risk investments
- Sectors such as the health insurance and energy provision sectors which heretofore have been dominated by incumbents—usually Government owned—should be reviewed with a view to unleashing competition.
- Chambers Ireland calls on the Government to publish sectoral industrial strategies for all service sectors (such as health insurance and healthcare) with a view to embracing the wave of services driven change that will come to these sectors over the next 15 years.
- Ireland to establish itself alongside London, Paris, Geneva and Stockholm as a leading European centre for the rapidly growing business of international alternative dispute resolution (ADR)
- Support a Public Private Partnership (PPP) on Next Generation Network (NGN) telecoms Rollout:
- To guard against unnecessary price inflation, ensure that sections 48 and 49 of the Consumer Protection Act are deleted:
- In the context of a debate on carbon taxes, introduce a ‘shadow’ carbon tax to enable all stakeholders to understand the implications of such a charge
- Facilitate Enhanced Employer inputs into Childcare Services It is our contention that, by putting in place the appropriate measures, employers can significantly enhance the quality and quantity of childcare available and contribute to meeting the Barcelona childcare targets.
- The current BIK exemption scheme for Childcare services lacks the requisite flexibility and affordability
- Create a National Employers’ Childcare Fund
- Make real commitments to lifelong learning and modify the free third level fee regime
- Make specific provision for a long-term commitment to enterprise-led training initiatives under the auspices of Skillnets from the National Training Fund.
- Capitation fees allocated by the Department of Education and Science to third-level institutions from evening students should match those of day students.
- Given that only one Irish higher education institute ranks in the world’s top 100 universities, college fees should be re-introduced for universities at a minimum to support their efforts to

build and develop the capital infrastructure required to ably compete with the world's leading institutions.

- Students should be incentivised via payment, to study subjects deemed particularly important to the future development of the economy by the Expert Group on Future Skills Needs with a view to increasing the uptake of course places in these subjects.
- We should establish a long-term loan system (similar to that applied in Australia) to aid students wishing to attain a third-level degree and the consequential 63% increase in pay that they will receive when compared to their counterparts who do not attain such a degree.
- Chambers Ireland is concerned regarding the way the National Training Fund is dispersed. Businesses should be allowed use it in ways that meet their respective objectives and requirements.
- Assist former care givers to return to the work force. We recommend that the Government applies the two year return to work allowance that is currently available to employers hiring individuals who were previously long term unemployed to individuals returning to the workforce after a long term period out of the work force..
- Develop a comprehensive strategy on pensions
- Support gain-sharing via employee financial participation (EFPs) programmes
- Synchronise Minimum Wage Reviews with National Pay Agreements
- Prioritise Capital Investments to ensure no 'crowding out' by the public service pay bill
- Introduce a universal redundancy policy within the public sector based on the principle of flexicurity.
- Control the public service pay bill by a resource envelope approach to public sector pay and pension costs. Set at a percentage of GNP, this would ensure that public sector employment costs do not increase faster than the rate of economic growth and would place benchmarking in a zero-sum context that includes general pay and pension increases, special pay awards and changes in staffing levels
- Amend the terms of reference of public sector pay reviews to include the objective of securing 10% migration to the private sector in grades from HEO to PO.
- Add the requirement that whenever the underlying cost-base shifts significantly as the result of special pay claims, then numbers employed should be reduced to compensate
- Adopt an accrual system of accounting throughout the public sector
- Revise the public service decentralisation programme
- Significantly Enhance State funding for Local Authorities via the Local Government Fund (LGF)

## **Irish Banking Federation**

- In order to maintain the competitiveness of the Irish tax regime, it is imperative that we monitor and influence developments at a European Commission level.
- IBF proposes the abolition of duty on bank cards.
- We would welcome a consultative review of the Stamp Duty on Residential Property and the opportunity to participate therein.
- We would like a comprehensive review of stamp duty legislation.
- We recommend that Section 85 of the Stamp Duty Consolidation Act, 1999 be reviewed and amended.
- In the context of the interest due in respect of underpaid preliminary corporation tax, the basis for its remittance is unnecessarily punitive and inequitable, while there is effectively no interest paid on tax overpaid.



- As a trade expense for credit institutions interest in respect of tier 1 capital should be tax deductible.
- We recommend the removal of the technical charge to tax by expanding the exemption under section 198(1)(c)(iii) to apply to interest received by all non-residents.
- We believe it is now appropriate to establish an ad hoc working group comprising IBF, IPSO and the Department to consider related policy issues and seek solutions which will optimise Ireland Inc's ability to derive maximum benefit from this important development in retail banking.
- Remove charge under section 198 TCA 1997 on discounts on securities held by non-residents.
- Foreign dividends should be exempt from tax or alternatively taxed at the 12.5% rate.
- Exemption from Corporation Tax for foreign branch profits. Exempt foreign branches of Irish resident companies from Corporation Tax.
- Withholding tax on interest should be removed for treasury companies.
- Extend definition of qualifying assets for securitisation companies.
- Amend definition used in establishing whether there is a group for loss relief purposes
- Change to the tax laws to allow for tax depreciation/ tax amortisation of intangible assets.
- In the absence of the pre-2006 remittance tax arrangement, IBF is of the view that an appropriate and equivalent mechanism needs to be developed with a view to repairing our attractiveness as a working location for key skilled foreign executives.
- Amend benefit in kind on preferential loans.
- Lengthen period for exemption from PAYE where certain non-residents work in Ireland on short-term assignments.
- Remove the VAT on rating agency fees.
- Amend rules regarding right of appeal in VAT

## **Irish Hotels Federation**

- There should be no tourism related tax increases in Budget 2008. This includes VAT, excise, energy and transport.
- The present Local Authority Rates system should be abolished and replaced with a local income tax based on profitability as opposed to property.
- User charges should be introduced for services for both businesses and households where the levels of use can be determined such as water provision, waste collection and planning fees.
- Central government funds social services specifically social housing, assistance to elderly and disabled people to adapt their houses. Pending the introduction of this system increases in any local authority charges and tax should be capped at 1% for 2008.
- The marketing budget for tourism should be increased by €5 million from €45 million to €50 million in 2008 to ensure a significant real increase in resources to deal with the changing tourism market and greatly increased competition.
- An "Efficient Energy in Hotels Programme" should be introduced. The IHF recommends a hotel specific programme to be rolled out on a general basis.
- We propose that the legislation with regard to BES tax relief for wind farms be amended so that investors would obtain tax relief once they make their investment rather than having to wait until the wind farm was actually trading for four months.

## **Irish Small & Medium Enterprises (ISME)**

- Every effort should be made to increase the level of competition in the energy sector, particularly electricity and gas, in order to stimulate price competition.
- Introduce an alternative energy policy without delay.
- Incentives should be introduced for investment in wind, wave, bio fuels and other alternative energies.
- Redistribute the burden of commercial rates and water charges to other sectors including the State and domestic households.
- In order to help retain staff and ease the pressure on labour costs ISME recommends a gain sharing mechanism whereby 10% of profits annually are exempt from Corporation Tax, and allowed to accumulate in a fund within the company for the benefit of the employees, for at least three years.

### **Infrastructure**

- The introduction of a National Transport Management Agency to oversee the implementation and efficient delivery of all major infrastructure projects and management of existing infrastructure to ensure that what is in place at present is utilised fully and efficiently.
- Forward planning with regard to our infrastructure and road demands need to be extended beyond 2013, the completion date for the National Development Plan.
- The National Spatial Strategy should be taken seriously with first class road links being introduced to service regional hubs and not just to service the Dublin region, as is the case to date.
- All infrastructure projects should be time specific with contracts allocated on the basis that the project should be completed within a timeframe that compares to international standards.
- It is essential that the NDP (2007-2013) and Transport 21 are delivered on time and within budget.
- Changes to public sector recruitment policies need to be introduced in order to recruit more private sector experience in the higher echelons of the agencies responsible for the implementation of infrastructure projects.
- The proposed orbital route as an alternative to the M50 should be seriously investigated.
- A specific timeframe for delivery of the Atlantic Road Corridor should be announced with the route extended to Rosslare.
- Increased investment in rail, which would be accountable on a value for money basis, needs to be secured in order to improve rail services.

### **Public Sector Pay & Benchmarking**

- Future wage increases in the public sector should be funded from productivity gains – as happens in the private sector.
- Any future benchmarking exercises should incorporate factors such as differences in hours worked, security of tenure and the different character of the pension arrangements in the two sectors.
- A proper performance related pay mechanism should be introduced within the public sector.
- The principle of ‘jobs for life’, should be abolished with non-performers’ contracts terminated in line with due industrial relations processes of the State.
- ISME recommends the immediate adoption of the Accruals System of accounting for the public sector which allows for more accuracy and transparency in accounting for resources and eliminates potential opportunities for manipulation of figures over time.
- Audit committees, with a majority of external representatives should be introduced for all departments and State Agencies.

- The issue of outsourcing of services to the private sector needs to be addressed.

### **Taxation Policy**

- Abolish the PAYE tax credit and replace with a personal tax credit of €3,520 for single PAYE payers, €5,280 married one income earner and €7,040 married couple both working.
- Reduce employers PRSI to 10% from the current rate of 10.75%.
- Ensure that the minimum wage remains outside the tax net.
- Sports clubs should be able to reclaim VAT on club developments.
- The standard rate of income tax bands should be adjusted to reflect inflation.
- VAT on property transactions should be simplified.
- Restore CGT Indexation Relief.
- Increase the retirement relief exemption threshold from €750,000 to €1,000,000.
- Increase the ceiling for payment of VAT on a cash receipts basis, from the current level of €1m to €3m per annum, thereby improving the cash flow of many SMEs.
- No increases in indirect taxes in order to prevent inflationary pressures.

### **Procurement**

- The whole tendering procedure needs to be completely reviewed and overhauled; recognising the length of time it takes to complete a tendering document from an SME perspective.
- An evaluation system, including better feedback to tenderers, should be introduced to assist unsuccessful applicants for future contracts.
- Financial information, including financial and trade references, from prospective tenderers should only be requested every 3 years. This is to avoid unnecessary duplication of effort every time a company makes a submission for a new tender.
- Tenders should be divided into smaller lots without prejudice to directive 2004/18/EC.
- Contracts should be awarded to the economically most advantageous tender (EMAT) instead of the lowest price.
- Create a structure for dialogue & collaboration between public & private sectors in an environment where competitive tenders are not in play.
- Contract extensions should be permissible up to 50% of the original value of contracts.
- Intellectual Property Rights to technical solutions/systems arising from public contracts should revert to the party that is in a position to commercially exploit them.
- Encourage development of partnerships between public and private sector into new area of service delivery.

### **Research & Development**

- A funding scheme should be introduced to provide funding to help low R&D performers to assimilate new technologies already available in the marketplace.
- The current R&D 20% tax scheme should be re-evaluated from incremental to a volume-based approach.
- In order to make it more attractive and to promote greater innovation and investment in R&D the Association proposed the introduction of double tax relief on all expenditure on R&D.
- A specific innovation voucher scheme should be introduced for the majority of small businesses outside the R&D scheme, who still need to be innovative in order to compete in the global economy.

### **Pensions**

- PRSAs should be scrapped and replaced by an SSIA type structure in the promotion of pensions, as an alternative.
- Tax relief for all people at work, regardless of income, should be at the higher rate of tax.

## **Childcare**

- Employers should be allowed to provide tax deductible subsidies to employees for the specific provision of receipted childcare facilities. These subsidies should no longer be considered a benefit in kind in the hands of the employee.
- An increased level of funding and tax breaks towards the building and provision of childcare facilities.

## **Irish Taxation Institute**

- The formulation, in consultation with business and the tax profession, of a list of countries with which a Treaty is desirable, which would increase our attractiveness for the higher value added and head office type activities of industry.
- Ireland still lags well behind almost all other EU MS in the number of treaties signed and the geographical spread of our Treaty network. It is time to consider this and to consider short to medium term pragmatic solutions.
- In terms of our treaty network there is little or no coverage of the major emerging economies of Asia and South America.
- Adopt policies that remove the preferences in the tax code for dealing with tax treaty jurisdictions e.g., by allowing unilateral exemptions from withholding taxes on payments to non-treaty countries and deductibility of interest paid to group companies in these countries.
- Should unilateral exemptions, such as those suggested above, not be possible, then extend the dividend withholding tax legislation to certain types of interest payments, where the ultimate parent is in an EU or treaty country.
- Formulate a “white list” of key countries, through consultation with business and the tax profession, with which a treaty is highly desirable.
- As a starting point ITI would recommend including Singapore, Hong Kong and Brazil on the list.
- ITI recommends that a minimum of 10-15 new treaties be ratified by budget 2012.
- ITI strongly supports the Government’s position in opposing the CCCTB
- ITI believes that the time is now right to commence a wide ranging debate on the reform of stamp duty on residential property.
- ITI survey of PAYE workers – June 2006

## **Consultative Committee of Accountancy Bodies – Ireland**

### **Defending Irish Business Interests**

- Extend the Finance Act 2007 rules for computing preliminary tax for smaller companies to all companies.
- To reduce administration burden for non-residents, introduce a clearance mechanism so that they can apply for a clearance that payments need not be subject to PSWT where there is an automatic refund.
- The VAT registration thresholds should be further increased to the maximum allowable limits.
- The ceiling for employer PRSI should be reinstated.
- Re-examine the types of business which are eligible for BES;
- Provide a refundable R&D tax credit to support both the development and exploitation of technology in Ireland.
- All distributions from subsidiaries to parents which qualify for the substantive shareholdings exemption should be exempt.

## **Necessary Refinements to Our Tax Regime**

- Allow off-season letting of holiday cottages without prejudice to the tax relief otherwise available.
- Extend the balancing allowance provision to assets bought and sold in the one year.
- There should be an option to determine market value for assets held long term by reference to 5 April 1974 or 31 December 1991, the latter date being the commencement date for CAT aggregation purposes.
- The CGT return dates and payment dates should coincide.
- Expenditure on capital assets eligible for capital allowances should be taken into account in reducing the undistributed profit liable for surcharge.
- A stamp duty relief should be introduced for the incorporation of businesses.
- A unilateral credit similar to that in Paragraph 9D should be introduced for withholding tax on insurance premiums.
- Extend the dwelling house exemption to unmarried couples.
- Increase the pension contribution limit to €250k.
- Removal of the imputed distribution in relation to ARFs.
- Self employed taxpayers should have the same right of PRSI recovery arising from pension contributions as employed taxpayers.
- Remove the condition that approved courses be provided by approved colleges for the purposes of granting tax relief on fees.
- Professional subscriptions should be deductible as an expense of employment.
- Permit tax settlements to be made without interest or penalty in defined circumstances where a technical mistake was made.
- Put in place an effective time limit on the duration of Revenue audits.
- Extension of the €3,000 threshold to late filing surcharges.
- Remove practical problems for self assessed taxpayers, including the use of Form 11 versus Form Adopt the proposal of the Revenue Powers Review Group in full by reducing the 12% rate of interest on late payments to 10% to all taxheads.
- Interest on refunds of VAT should be exempted from Income Tax and Corporation Tax from the date VAT A72 s21A was introduced
- Remove the tax penalty now associated with failure to register with the PRTB.

## **Society of the Irish Motor Industry**

- Rebalancing of VRT and other Motor Related Taxes with a View to Reducing CO2
- Introduction of a VRT Refund System
- Retention of VRT Concession for Hybrid Technology and Multi-fuel Cars
- Re-Introduction of a Car Scrappage Scheme
- Benefit in Kind based on CO2 emissions
- Capital Allowances – rebalancing of these to reduce CO2 emissions
- VAT on Repairs - the retention of this 13.5% rate of VAT on repairs and servicing and that it be extended to the important safety work of vehicle recovery.

## **Drinks Industry Group of Ireland**

- Reduce/maintain the VAT rate applicable to alcohol. [It is argued that the provision of alcohol is a service and should be taxed at the reduced rate and that the current standard rate is high by EU standards.]
- The Beverage Council of Ireland (BCI) are also seeking to have the VAT rate applied to bottled water, soft drinks and fruit juice reduced from the standard VAT rate of 21% to the reduced VAT rate of 13.5%.
- Budget 2008 should not increase ‘already penal’ alcohol tax levels. Over the medium term, the Government should introduce equivalence of treatment of different products and greater proximity to EU levels in both VAT and excise. No further adjustments to the alcohol excise system until the issue is considered by the Commission on Taxation.
- DIGI contention: Ireland has ‘penal’ alcohol tax levels (para 1.I p3)
- DIGI contention: Weak bar sales performance in recent years
- DIGI contention: Government ought to be supporting significant local industry