

## **Report of Tax Strategy Group Meeting on 13 September 2011**

### **Minutes of the meeting on 20<sup>th</sup> July 2011**

(TSG 11/02)

1. The minutes of the meeting of the 20<sup>th</sup> July were agreed.

### **Economic Framework for Budget 2012**

(TSG 11/03)

2. The Economic paper was presented to the Group and it gave an update on the current economic situation and the emerging macroeconomic outlook. The paper included the following topics; recent developments in the external environment, main trends in the domestic economy, growth prospects over the period 2012 – 2015, risks to the economic outlook and the views of the Department of Finance in relation to the framing of the forthcoming Budget.

### **Irish Tax Policy in Perspective**

3. A presentation titled “*Irish Tax Policy in Perspective*” was given to the Group, showing the recent adjustment in respect of Income Tax, Corporation Tax, Capital Taxes, Stamp Duty and Indirect Taxes.

### **Income Tax**

(TSG 11/04)

4. The Income Tax paper outlined the development of the Income Tax system in the last decade and the current state of play, including the commitment in the Programme for Government to maintaining current rates, bands and credits and to not increasing the top marginal rate. It was noted that Income Tax now makes up 40% of tax receipts.

### **Universal Social Charge**

(TSG 11/05)

5. In the Programme for Government there was a commitment given to review the Universal Social Charge. This paper represents a first draft of that review being prepared for the Minister for Finance. Members were invited to forward any comments that they may have to the Secretariat. The final report is due to be completed in advance of Budget 2012.

### **Capital and Savings Taxation Issues**

(TSG 11/06)

6. This paper covers a range of Capital Taxes, including Capital Gains Tax, Capital Acquisitions Tax, certain Stamp Duties and taxes on savings (DIRT and exit taxes). It sets

out the current position for each of the main areas and examines issues that have been raised, or are likely to arise, in the context of Budget/Finance Bill 2012. The proposals in the Programme for Government and the Memorandum of Understanding with the EU/ECB/IMF were also taken into account.

**Attendance list and Next Meeting**

7. The attendance list for the meeting is attached.
  
8. The next meeting will take place on Tuesday, 27 September 2011, in Room 0.2, South Block, Government Buildings, Upper Merrion Street, Dublin 2.

**Rory O’Kelly**

**15 September 2011**

**TSG Attendance list, 13 September 2011**

**Department of Finance:**

Ann Nolan

Derek Moran

Jim O'Leary

John McCarthy

Gary Tobin

Pat Ring

Rónán Hickey

Brendan O'Connor

Liam Smith

John Day

Denise Tully

Keith Hennessy

Deirdre Aherne

Rory O'Kelly

**Department of Public Expenditure and Reform**

John Conlon

**Department of the Taoiseach:**

Andrew McDowell

John Shaw

**Revenue Commissioners:**

Michael O'Grady

Eugene Creighton

**Department of Jobs, Enterprise and Innovation:**

Martin Shanagher

Ciarán Conlon

Paul Kealy

**Department of Social Protection:**

Brian O'Raghallaigh

Denis Moynihan

**Department of Foreign Affairs and Trade (Tánaiste)**

Colm O'Reardon

**Office of the Attorney General**

Caroline Daly

**Apologies:**

Mark Garrett – Department of Foreign Affairs and Trade (Tánaiste)