



Finance Act 2011

Finance Act 2011

Personal tax

Business tax

Capital taxes

Property tax schemes

Indirect taxes

Pensions

Miscellaneous

Our specialists



Finance Act 2011

The Finance Act was signed into law on 6 February 2011 and gives legislative effect to the measures announced in the Budget on 7 December 2010 and contains the legislation introduced in the financial resolutions passed on Budget day. It also confirms many of the proposals outlined in the National Recovery Plan.

The key points are:

- the 12.5% corporation tax rate on trading income remains unchanged;
- exemption for start-up companies extended to 2013;
- a new Employment and Investment Incentive and Seed Capital Scheme to replace the existing Business Expansion Scheme (BES) and Seed Capital Scheme;
- personal tax credits reduced by 10%;

- personal tax bands also reduced; and
- introduction of the new Universal Social Charge (USC).



Personal tax

The changes introduced to the income tax system see the broadening of the income tax base through the restriction of tax bands and credits, together with changes to the PRSI and health contribution/income levy systems.

Also, a number of tax exemptions and credits have either been abolished or curtailed.

Universal Social Charge (USC)

The income levy and health levy have been abolished and a new tax the Universal Social Charge (USC) has been introduced with effect from 1 January 2011.

The USC will be applied at the following rates:

Rate	Employed	Self - employed
0%	Up to €4,004	Up to €4,004
2%	0 to €10,036	0 to €10,036
4%	€10,367 to €16,016	€10,037 to €16,016
7%	Over €16,016	€16,017 to €100,000
10%		Over €100,000

Individuals with annual income below €4,004 will not be chargeable to the USC; once this threshold has been breached the USC is chargeable on the full income. The reduced rate of 4% for income over €16,016 also applies to employees over the age of 70 or any individual in receipt of a medical card.

The increased rate of 10% for self-employed individuals earning over €100,000 is reduced to 7% where an individual is over 70 and has a medical card. The increased rates for self-employed individuals or the reduced rate for medical card holders will not apply from tax year 2015.

The USC will apply on an individual's income before pension contributions and will also apply to gains from Revenue approved profit sharing schemes, approved savings related schemes and approved share option schemes. A deduction will be available for capital allowances and trading losses where an individual is actively involved in the trade. The USC will apply to income before deductions for certain capital allowances and donations. A deduction will be available for certain maintenance payments between separated spouses.

Irish and EU deposit interest, credit union interest and gains

from certain investment undertakings are exempt from the USC. The tax free element of ex-gratia payments, salary payments paid under a PAYE exclusion order to individuals resident in a treaty country, employment income earned outside Ireland to which the "remittance basis" applies and social welfare and similar payments are also exempt from the USC.

A special USC rate of 45% will apply to bonus payments greater than €20,000 paid to employees of financial institutions covered by the Bank Guarantee Scheme. The bonus will also be subject to income tax (41%) and PRSI (4%) bringing the effective rate of tax on such bonuses to 90%.

Personal tax continued

Self assessment – due date for preliminary tax and pay and file

The proposal which sought to bring forward the pay and file date for self-assessed individuals by one month to 30 September has been removed. The original date of 31 October will continue to apply for income tax pay and file requirements and the filing of returns.

Tax relief for third level education fees

The Finance Act amends the tax credit available on fees paid for certain third level courses. From 1 January 2011, the first €2,000 is disregarded for fees paid in respect of full time courses. The first €1,000 will be disregarded for fees paid in respect of part time courses.

Benefits-in-kind

With effect from 1 January 2011 the exemption from tax on payment of annual membership fees of a professional body made by an employer on behalf of an employee has been abolished.

Also, with effect from 1 January 2011 a taxable benefit in kind will arise where an employer provides free or subsidised childcare facilities to their employees.

The taxable benefit in kind which arises where preferential loans are provided to employees will only be reduced by the interest paid by the employee as opposed to interest payable under the terms of the loan agreement.

Taxation of aircrew

The Act has introduced a new provision in respect of the taxation of aircrew. The employment income for aircrew is liable to tax in the State under Schedule E, and as a result falls within the PAYE net, where the aircraft is operated by an enterprise with its effective management in the State.

Artist exemption

With effect from 1 January 2011 tax relief on income from the production of original works of artistic merit will now be capped at €40,000.

Employment related share schemes

New shares purchased on issue by employers

The scheme that provides for a single lifetime income tax deduction of up to €6,350 for

an employee who purchases shares in his or her employer company, where those shares are retained for a period of three years without being sold is terminated where shares are subscribed for on or after 8 December 2010.

Approved share option scheme

Tax relief in respect of share options, granted and/or exercised on or after 24 November 2010 under approved share option schemes has been terminated, including schemes that have already been approved by Revenue. Such share options are now to be treated in the same manner as unapproved share option schemes.

Personal tax continued

Approved profit sharing schemes

Shares appropriated to employees on or after 1 January 2011 under Revenue approved profit sharing schemes will continue to be exempt from income tax but will be subject to PRSI and the new Universal Social Charge.

Approved SAYE share option schemes

Any gain on options that are granted and/or exercised under SAYE Approved Share Option Schemes on or after 1 January 2011 will continue to be exempt from income tax but will be subject to PRSI and the new Universal Social Charge.

Share awards

The treatment of shares and other securities awarded to

employees in their employer company, or its parent company, under unapproved share schemes will be brought into the PAYE collection system from 1 January 2011 and will be chargeable to PRSI and the new Universal Social Charge.

Taxation of ex-gratia lump sums

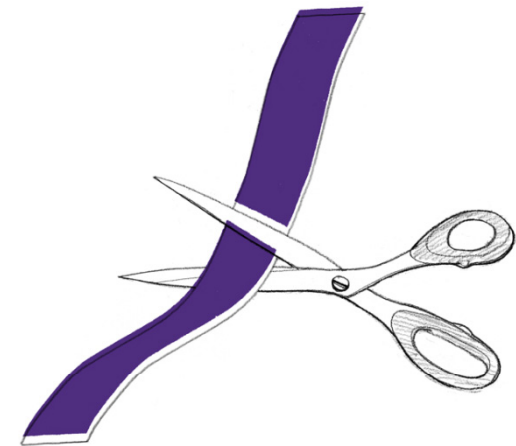
Where an individual is in receipt of a termination payment from his/her employer, it is possible to relieve a portion (if not all) of the ex-gratia payment from tax. For ex-gratia payments received after 1 January 2011, the maximum amount that can be received free of tax is €200,000.

This is a lifetime limit and therefore prior ex-gratia payments received (including payments pre 1 January 2011)

must be aggregated in determining whether the €200,000 will be exceeded.

Termination of relief to individuals on loans applied in acquiring interests in companies

Relief for interest on money borrowed by individuals to acquire shares in, or lend to, trading companies has been restricted to 75% in 2011, 50% in 2012 and 25% in 2013, with the relief abolished in 2014. The section also abolishes the relief for loans made after 7 December 2010.



Personal tax continued

Relief for energy efficient works

A new provision has been introduced for income tax relief for expenditure, incurred by individuals that are not the landlord of the property concerned, on works carried out to improve the energy efficiency of residential premises situated in the State. A list of qualifying works will be maintained by the Sustainable Energy Authority of Ireland.

Relief will be available at the standard rate of tax for qualifying expenditure of up to €10,000 for single persons or €15,000 for married couples who are jointly assessed.

This will come into operation on the issuing of a Commencement Order by the Minister for Finance.



Business tax

Start-up companies

The Act confirms the exemption from corporation tax and capital gains tax for certain trading start up companies introduced in 2009 will be extended to new start ups in 2011. The exemption applies for three years and is subject to certain anti-avoidance provisions. In a restrictive move aimed at encouraging employment, the relief will be linked to employers' PRSI, subject to a maximum of €5,000 per employee and an overall limit of €40,000. The relief will be the lower of the qualifying employers' PRSI or the reduction in the corporation tax liability otherwise applicable.

The relief is not available where the trade to be carried on by the new company

would, if carried on by an associated company of the new company, have formed part of an existing trade of that associated company.

Capital allowances

The scheme of accelerated capital allowances for energy efficient equipment is being extended for a further three years to 2014. The scheme provides for 100% year one allowances for certain energy efficient equipment.

Deductibility of interest General

The Finance Act has significantly altered the interest deductibility landscape. The changes are extremely complex and the deductibility or otherwise of interest is no longer straightforward. The new provisions may have many unintended adverse

consequences and clarification from Revenue on the practical implications is expected.

Some of the key changes are outlined below.

Intra-group borrowings

Where intra-group borrowings are used to leverage up a company to refinance group assets (other than trading stock or specified intangible assets), the interest relating to such borrowings will no longer be tax deductible.

There is an exception whereby if interest relates to assets purchased as part of a trade acquisition which was previously carried on by a company and was outside the charge to Irish tax, the restriction applies only to that amount of the interest that exceeds the taxable trading

income and gains of the acquired trade.

There are anti-avoidance provisions under which back to back lending arrangements with third parties will now be deemed as being intra-group loans. The provision applies to loans made on or after 21 January 2011.

Interest as a charge

Broadly, interest as a charge relief for lending to companies is now confined to funding trading or property rental companies. Importantly, interest as a charge relating to money borrowed for trade purposes will now only be available for relief at the 12.5% rate (either by the company itself or by way of group relief).

Business tax continued

There is a restriction of interest as a charge relief where the investor lends to a foreign investee and the interest it receives on the loan is less than the interest it pays on the loan.

In this event, the company will be entitled to relief up to the interest it receives from the foreign investee. Relief for the balance is capped at the amount equal to the qualifying interest paid by the investor on the loan less any interest income earned by the foreign investee. This prevents the relief being claimed where the money borrowed is invested offshore and the return is not repatriated to Ireland.

These changes apply to loans made on or after 21 January 2011.

Material interest and common director amendment

In a further change, where a company borrows to lend to another company, interest relief will only be available where the investor company has a material interest in the company that ultimately uses the money. A common director is also required in the investing company and the trading or property rental company borrowing the money.

Recovery of capital

The Finance Act enables companies to elect that the recovery of capital provisions will not apply where the transfer of shares qualifies as a share for share exchange.

Patent royalties

The Finance Act confirms the announcements contained in the National Recovery Plan and

the Budget regarding the abolition of the tax exemption for qualifying patent royalties. The Act provides that the exemption both for dividends and income earned directly from patent royalties is abolished, effective from 24 November 2010.

Securitisation companies

A number of changes have been made to the legislation governing securitisation companies, or “section 110” companies. In a positive development, the range of assets into which such companies can invest has been extended to include commodities, carbon offsets and leased plant and machinery (including aircraft). These are very welcome changes and reflect the current favourable market sentiment towards commodities such as gold, as

well as affirming Ireland’s eco-friendly financial services environment. Additional changes were also introduced in the Act which restrict the ability of a section 110 company to deduct interest on Profit Participating Loans (PPLs), in certain situations. A tax deduction will only be available for interest payments on PPLs made to:

- Irish resident persons
- a pension fund, government body or other specifically tax exempt person resident in a treaty country, provided certain conditions are met
- a non-resident recipient in a treaty country which generally applies tax on foreign source income, provided a deduction is not available by reference to the amount of interest received (so that no deduction would be available where the treaty

Business tax continued

treaty recipient is only taxed on a portion of the interest received), and

- under a quoted eurobond or wholesale debt instrument, provided certain conditions are met.

Similar restrictions on deductibility have been introduced for total return swap payments.

There are grandfathering provisions such that the new provisions do not apply to interest paid after 21 January 2011 where the securities were issued before 21 January 2011.

Section 110 companies continue to facilitate tax efficient structuring solutions both for the financial services industry and for mainstream tax planning purposes.

Research and development

In a small change, the Finance Act has introduced a provision which ensures that assets which qualify for the intangible assets relief do not also qualify for the R&D tax credit. The R&D tax credit continues to be a significant incentive to carry out R&D activities, with potentially €37.50 out of every €100 in expenditure refunded by Revenue.

Employment and investment incentive and seed capital scheme

The existing BES and seed capital reliefs available for certain share investments have been significantly amended. Historically, the qualifying activities and conditions were quite restricted. It is now proposed that relief will be available for the majority of trading SMEs, subject to certain exclusions. In addition, the

lifetime limit which a company may raise is increased to €10m with the annual limit capped at €2.5m. Relief will be available for all qualifying investments up to 31 December 2013.

The holding period required for the investing shareholders has been amended to a three year period, down from the previous five years.

The method of granting relief to the investor has also been amended. Tax relief at 30% will be available in the year of investment with a further 11% available three years later, provided the company satisfies certain employment or R&D conditions at that time.

The new rules are dependent on European Commission approval and a Ministerial commencement order. In the meantime, the current BES

/seed capital rules will continue to apply.

Anti-avoidance

The Act contains technical amendments aimed at tightening section 817 TCA 1997 which is an anti avoidance section that seeks to counteract schemes to extract cash from companies in a tax efficient manner.

Capital taxes

Capital Acquisitions Tax (CAT)

The Finance Act brings forward the pay and file date for gift and inheritance tax from 31 October to 30 September. This amendment applies to returns filed and tax paid on or after 21 January 2011.

Tax free thresholds applicable to gifts and inheritances received on or after 8 December 2010 have been reduced and the revised thresholds are as follows:

Group	On or after 8 December 2010
Group A	€332,084
Group B	€33,208
Group C	€16,604

Drafting errors in the legislation have been corrected pertaining to the clawback of business relief, agricultural relief and the CAT/CGT offset.

Mandatory disclosure

The Finance Act introduced a new reporting requirement for tax advisors to report certain tax avoidance schemes to Revenue. The main purpose of the new disclosure regime is to constitute an 'early-warning' system for Revenue whereby information on tax avoidance schemes can be obtained at an early stage and closed down.

It is important to note that the mandatory disclosure rules do not impact on ordinary day-to-day tax advice between a tax adviser and a client or on the use of schemes that rely on ordinary tax planning using standard statutory exemptions and reliefs in a routine fashion for bona fide purposes, as intended by the legislature.

The mandatory disclosure rules impact on certain tax transactions relating to income

tax, corporation tax, CGT, the USC, VAT, CAT, stamp duties and excise duties. It does not encompass customs duties. Of itself, the disclosure of a scheme under the disclosure rules will not affect the tax treatment of the scheme or invite any judgement about the nature of the scheme. In that regard, Section 817N (1) & (2) TCA 1997 specifically provide that a disclosure is made in a totally non-judgemental way and no inference can be drawn from the fact that a scheme is disclosed that it is, or may be, a tax avoidance transaction.

In that regard, it is important to be aware that the fact that a scheme does not come within the Mandatory Disclosure regime cannot be regarded as a guarantee that the scheme is not a tax avoidance scheme or constitutes practices that are acceptable to Revenue.

Equally, the fact that a transaction may come within the Mandatory Disclosure regime does not, of itself, mean that it will be unacceptable to Revenue.

Stamp duty

The Act introduces the changes announced in the Budget in relation to stamp duty on residential property. The rate of duty on residential property is 1% on property purchased for €1m, with any excess above €1m chargeable at 2%.

The Act also confirmed the abolition of the following reliefs for residential property:

- first time buyer relief;
- owner occupier relief;
- site to a child relief;
- the exemption for purchases below €127,000; and
- consanguinity relief.

Property tax schemes

The Finance Act amends the restrictions announced in the Budget in relation to property based tax schemes. The proposed amendments will now only be introduced from a date specified by Ministerial Order. This date is called the “relevant day”. This day cannot be earlier than 60 days after the publication of an impact assessment study.

These provisions restrict the use, and carry forward, of capital allowances and Section 23 type relief. Once the Ministerial Order is given, the tax reliefs in relation to these properties will only be available to set against the rental profit arising from that property and not against total rental profit from all Irish properties as is currently the case.

Capital allowances on commercial property

These measures apply to accelerated capital allowances and property based tax incentives and to persons who are passive investors in the relevant businesses. There are two proposed amendments. The first narrows the range of income to which allowances may apply:

- from the next tax year commencing after the “relevant day” where an individual becomes entitled to any allowances (including balancing allowances) those allowances may only be set against income of that trade. The restriction applies to capital allowances carried forward from a previous year; and

- for a period commencing on or after the relevant day, where a person is in receipt of rental income the capital allowances can only be set against rental income from the property itself.

The second amendment curtails ability of a person to carry forward unused allowances:

- 7-10 year schemes - any unused capital allowances carried forward to the 7th/10th chargeable periods after the period in which they were first claimed are lost; and
- for situations where allowances were given over a period greater than 10 years, the period is reduced to seven chargeable periods. Any unused allowances

cannot be brought forward beyond seven year write off period.

Section 23/50 relief on residential property

The proposed changes which apply to both individuals and companies are:

- relief will be restricted to set off against rental income from the property giving rise to the relief.
- unused relief carried forward beyond the normal 10 year holding period is lost. In cases where the 10 year period ends in a chargeable period ending on or after the “relevant day”, any unused relief cannot be carried forward into the next chargeable period.



Property tax schemes continued

- where a person sells such a property within the holding period the relief does not pass to the new owner (clawback of relief given to the first owner continues to apply).
- where any of the properties to which the relief applies are not let within six months after the “relevant day” the 10 year holding period will commence on that day.



Indirect taxes

Value Added Tax Scrap metal dealers

A reverse charge procedure has been introduced in relation to sales of scrap between dealers. From 1 May 2011, instead of the seller charging VAT to the purchaser, the purchaser of the scrap will have to account for the VAT arising on the transaction at the 21% rate on a reverse charge basis. A VAT registered seller must issue a document to the purchaser stating that the purchaser is responsible for accounting for the VAT on the sale (the document must also contain all of the details normally found on a conventional sales invoice other than the tax payable).

Local authorities and public bodies

The Finance Act also contains a number of amendments following on from the change

in the VAT treatment of local authorities introduced with effect from 1 July 2010. Residential properties and burial grounds purchased or developed by a local authority before 1 July 2010 and sold by local authorities after 1 July 2010 are now subject to VAT. However, the local authority will be able to reclaim VAT incurred on the purchase/development by means of a Capital Goods Scheme adjustment. The amount of VAT reclaimed however cannot exceed the VAT chargeable on the sale. The scope of the exemption for admission to cultural services (e.g. museums) has also been amended to include supplies by public bodies.

Mobile traders

Owners of premises or land must notify Revenue in advance and provide certain details if

they allow foreign non-established traders to sell goods from their premises/land. The reporting requirement had only applied where the mobile trader was on the premises for less than seven consecutive days. The reporting obligation now applies where the period of occupation by the mobile trader is less than 28 days.

Penalties

New penalties are being introduced in relation to failing to submit Vat Information Exchange System (VIES) returns, failing to create a Capital Goods Record, failing to provide documents in relation to the assignment or surrender of a lease (where the lease was created pre-1 July 2008), failing to provide a copy of a Capital Goods Record to a transferee and failing to notify Revenue when a business ceases to qualify for a VAT13B

authorisation to purchase goods and services at the zero rate (now called an authorisation under Section 56 VAT Consolidation Act 2010).

Betting

A VAT exemption applies to on-course betting at horse racing, greyhound racing, tote betting and bets accepted by bookmakers off-course. The Finance Act includes provisions to extend the scope of betting duty to bets entered into remotely by bookmakers and the services of remote betting intermediaries.

Postal services

The definition of postal services which are exempt from VAT has been extended to include both An Post and other designated persons who provide universal postal services as set out in the EU Postal Directives.

Indirect taxes continued

Relevant Contract Tax (RCT)

The current paper-based system is to be replaced by an electronic system. There will be three RCT rates: 0%, 20% and 35%. Interim refunds of RCT will no longer be made by Revenue. Rather, amounts deducted will be available for offset against other taxes. There will be increased reporting requirements for principals. The commencement of the new system will be subject to Ministerial Commencement Order.

Excise

- introduction of tax-g geared penalties and the concept of disclosures for excise offences (similar to other taxes);
- introduction of administrative penalties for failing to comply with obligations arising under EU Customs Code; and
- mineral oil tax increases which were announced in the Budget are confirmed (petrol and auto-diesel).

Vehicle Registration Tax (VRT)

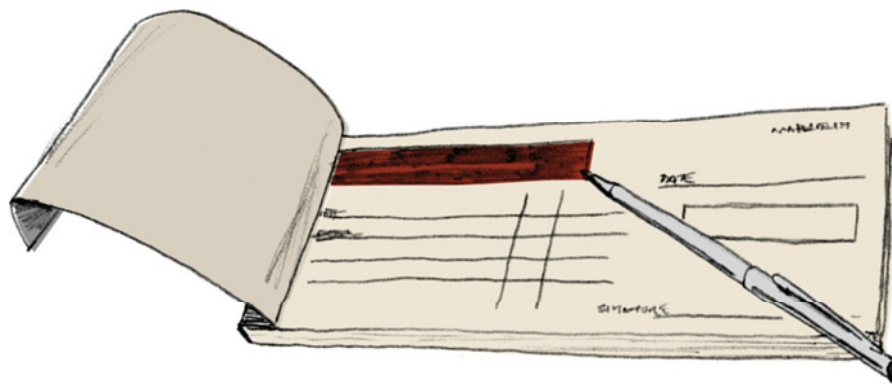
The VRT changes are also confirmed. The exemption from VRT in respect of electric vehicles will be restricted to a maximum of €5,000 from 1 May 2011.

Air travel tax

A single €3 air travel tax will replace the previous two-tier system (€2 and €10). This will apply to flights departing on or after 1 March 2011.

Betting duty

- introduction of the requirement for a license for remote bookmakers (telephone and internet) as well as certain intermediaries (e.g. exchanges); and
- 1% betting duty extended to remote bookmakers and a new betting intermediary duty (15%) will apply to remote betting intermediaries.



Pensions

Reduction of the Standard Fund Threshold (SFT)

The upper limit for tax relieved pension funds for individuals, the SFT, is now €2.3m. A penal rate of tax applies to the excess above the limit.

Individuals have until 7th June 2011 to agree a higher Personal Fund Threshold (PFT) with the Revenue Commissioners if the value of their pension benefits already exceeds the €2.3m limit at 7th December 2010.

Individuals that had already agreed higher PFT (in excess of €5m) under the original legislation of 2005 can still use that higher limit.

In valuing Defined Benefit (DB) pension plans for the purposes of this legislation, the Act provides that the same multiplier must be used, both

to value the pension for threshold purposes and also to value the pension at retirement. The standard multiplier is to be 20 times the annual pension promise.

Restriction of pension tax free lump sum

Where the rules of a Revenue approved pension scheme permit a portion of the pension to be taken as a lump sum the following will be the tax treatment of that allowable lump sum:

- the first €200,000 will be exempt from tax;
- the next €375,000 will be liable at 20% and this amount will be ring-fenced so that personal allowances/ deductions/ charges etc cannot be used to reduce the tax; and
- Sums above €575,000 (25% of the €2.3m threshold above) will be treated as

emoluments of the individual and be liable to marginal rate income tax etc.

There are certain exclusions from the pension lump sum tax charge. It will not apply, for example, to lump sum death-in-service benefits paid to a widow or widower, civil partner (within the meaning of the Civil Partnership and Certain Rights and Obligations of Cohabitants Act 2010), children, dependants, or personal representatives of a deceased person.

Increased specified income test

The Finance Act will also increase the current €12,700 per annum specified income test (to avoid having to meet the Approved Minimum Retirement Fund (AMRF) requirement) to €18,000 per

annum for ARF options exercised on or after the passing of the Finance Act 2011.

The new specified income amount is defined as the personal weekly rate of the State Pension (Contributory) x 52 x 1.5 at the date of exercise of the ARF option, rounded to the nearer €100. Therefore, the specified income test will also move in line with any future changes (up or down) in the level of the State Pension.

Approved Retirement Fund (ARF) rules

The Finance Act introduced a new requirement that the first €120,000 of an individual's pension fund must be invested in an AMRF. This new requirement and the €18,000 per annum specified income test, applies to the exercise of an ARF option 'on or after' the

Pensions continued

of passing of the Act. For ARF options exercised before the date of passing of Finance Act 2011, the current €63,500 AMRF requirement and €12,700 per annum specified, income limits continue to apply.

Currently, an AMRF automatically converts into an ARF on death or when the AMRF holder reaches age 75.

Under the Finance Act, an AMRF will also automatically convert to an ARF where the individual meets the specified income test, at any time on or after the passing of Finance Act 2011.

Individuals with a pre-existing AMRF, have three years from the date of passing of Finance Act 2011 to meet the current income test (€12,700 per annum) in order to convert

their AMRF to an ARF.

However, an individual may not want their AMRF to revert into an ARF, because the funds in an ARF will then be subject to the 5% per annum imputed distribution, which does not apply to an AMRF.

The Act confirms the increase in the imputed distribution that must be made from ARFs. The rate of annual imputed distribution from 31st December 2010 will be 5% of the value of the ARF at the end of each year.

ARF option extended to all Defined Contribution (DC) scheme members

The ARF option is to be extended to all DC scheme employee members with effect from the date of passing of Finance Act 2011. Such employees will have exactly the same ARF option as

proprietary directors currently have. Finance Act 2011 will benefit from the lower €63,500 AMRF and €12,700 per annum limits, when exercising their ARF option.

For many DC scheme members with relatively small funds, the new ARF option might be more correctly referred to as the 'AMRF option' and it may well come with a sting in the tail of a lower tax free lump sum entitlement (i.e. 25% of the fund v 1.5 times final remuneration).

Reduction in the annual earnings limit for individual pension contributions

From 1st January 2011 the maximum earnings limit for individual pension contributions will be €115,000 per annum. This means the maximum tax relievable

contribution made in 2011 is €46,000 (i.e. €115,000 @ 40%), for an individual aged 60 and over. This rule also applies where the pension contribution is referable to 2010 earnings under the 'throw back' provisions.

Universal Social Charge (USC) and PRSI

Contributions made by individuals to pension plans will not qualify for relief from the USC.

The current employer PRSI exemption for employee pension contributions to occupational pension schemes and other pension arrangements has been reduced by 50% with effect from 1 January 2011.

Miscellaneous

Anti-avoidance

The Finance Act contains an amendment designed to counter attempts to extract funds from close companies on a tax-free basis through the use of settlements. The section provides that a settlement on a trust by a close company will be treated as a distribution to the trustees; this will give rise to an income tax liability. In addition, a distribution by the trustees to beneficiaries of such a trust will be subject to income tax under Case IV.

False claims

New measures have been introduced which impose a fine of €3,000 on any person who makes or assists in making a false claim for tax relief.

The section also seeks to recover the tax from the beneficiary and charge interest

for the period until the tax is repaid to Revenue.

Attachment orders

Revenue can now issue a notice of attachment in respect of emoluments requiring the employer to deduct the arrears from an employee's net pay and can provide for this collection to be spread over a specified period of time.

Also, new provisions introduced providing inspection powers for returns made.

Revenue offences

The list of Revenue offences has been extended to include deliberate alteration of business records to suppress transactions.

Also, the supply of computer programmes to alter electronic records without preserving the original is an offence.

Publication

Where a taxpayer agrees a settlement but doesn't pay the liability, Revenue can publish regardless.

If penalties are not agreed but the Appeal Commissioners or the Courts determine the amount of tax and penalty, then Revenue can publish the details of the settlement.

The Taxes (Publication of Names of Tax Defaulters) Order 2010 published in December 2010 has changed the threshold amount which determines whether settlements will be published. The threshold which applies from 1 January 2010 is increased from €30,000 to €33,000.



Our specialists

Name	Position	E-mail	Telephone
Frank Walsh	Partner	frank.walsh@ie.gt.com	+353 (0)1 6805 607
Bernard Doherty	Partner	bernard.doherty@ie.gt.com	+353 (0)1 6805 611
Leslie Barrett	Partner	leslie.barrett@ie.gt.com	+353 (0)61 312 744
Peter Vale	Partner	peter.vale@ie.gt.com	+353 (0)1 6805 952
Jim Kelly	Director	jim.kelly@ie.gt.com	+353 (0)1 6805 780
Lorcan Hand	Director	lorcan.hand@ie.gt.com	+353 (0)1 6805 770
Finbarr O'Connell	Director	finbarr.oconnell@ie.gt.com	+353 (0)1 6805 771
Paula Keaney	Director	paula.keaney@ie.gt.com	+353 (0)1 6805 769
David Keary	Director	david.keary@ie.gt.com	+353 (0)1 6805 767
Eamonn Murphy	Director	eamonn.murphy@ie.gt.com	+353 (0)61 312 744
Sasha Kerins	Director	sasha.kerins@ie.gt.com	+353 (0)45 448 852
Oliver O'Connor	Director	oliver.oconnor@ie.gt.com	+353 (0)1 6805 679
Conail Flynn	Director	conail.flynn@ie.gt.com	+353 (0)1 6805 742
Mark Doyle	Director	mark.doyle@ie.gt.com	+353 (0)1 6805 659
Ciaran Cullen	Manager	ciaran.cullen@ie.gt.com	+353 (0)1 6805 762
Denise Donohoe	Manager	denise.donohoe@ie.gt.com	+353 (0)1 6805 768
Breda Fitzmaurice	Manager	breda.fitzmaurice@ie.gt.com	+353 (0)1 6805 892
Liam Kenny	Manager	liam.kenny@ie.gt.com	+353 (0)1 6805 840
Emma Meehan	Manager	emma.meehan@ie.gt.com	+353 (0)1 6805 774
Aidan O'Boyle	Manager	aidan.oboyle@ie.gt.com	+353 (0)1 6805 771
Theresa O'Gorman	Manager	theresa.ogorman@ie.gt.com	+353 (0)61 312 744
Geoffrey O'Leary	Manager	geoffrey.oleary@ie.gt.com	+353 (0)1 6805 777
Tom O'Reilly	Manager	tom.oreilly@ie.gt.com	+353 (0)1 6805 730

[Visit our website](#)

[Exit](#)

Dublin - 24-26 City Quay, Dublin 2.

T +353 (0)1 6805 805 F +353 (0)1 6805 806

E info@ie.gt.com

Limerick - Mill House, Henry Street, Limerick.

T +353 (0)61 312 744 F +353 (0)61 317 691

E Limerick@ie.gt.com

Newbridge - Suites 3&4, Courtyard House, Newbridge, Co Kildare.

T +353 (0)45 449 322 F +353 (0)45 449 324

E newbridge@ie.gt.com

Galway – Mayoralty House, Flood Street, Galway

T +353 (0)91 533 924 F +353 (0)91 562 943

E galway@ie.gt.com

This briefing is provided for general information purposes only and is not a comprehensive or complete statement of the issues it relates to. It should not be used as a substitute for advice on individual cases. Before acting or refraining from acting in particular circumstances, specialist advice should be obtained. No liability can be accepted by Grant Thornton for any loss occasioned to any person acting or refraining from acting as a result of any material in this briefing. Grant Thornton, Irish member of Grant Thornton International, is authorised by the Institute of Chartered Accountants in Ireland to carry on investment business. www.grantthornton.ie. © 2011 Grant Thornton. All rights reserved.