DÁIL ÉIREANN

AN BILLE AIRGEADAIS, 2001 —ROGHCHOISTE

FINANCE BILL, 2001 —SELECT COMMITTEE

Leasuithe
Amendments

SECTION 2

1. In page 17, before section 2, but in Chapter 2, to insert the following new section:

"National Investment Fund.

2.—The Principal Act is amended by the insertion of the following new section:

'National Investment Fund.

16A.—(1) The Minister for Finance may establish a National Investment Fund (NIF) to be managed by the National Treasury Management Agency.

(2) The Minister may direct that a proportion, not to exceed 75 per cent, of any increases in the tax credits arising under sections 461 and 472 to which a tax payer is entitled be given by way of shares in the NIF. The Revenue Commissioners shall act as agent for each taxpayer in the contribution of moneys to the Fund. Such shares may be redeemable as to capital and income not earlier than six years from the date of issue except in the case of the death of the taxpayer or the taxpayer's spouse or the taxpayer becoming entitled to any of the taxpayer reliefs mentioned in sections 464, 465, 466, 466A or 468.

(3) The proceeds on redemption shall not be chargeable to tax.'.".

—Jim Mitchell, Paul McGrath.

2. In page 18, column (3), line 11, to delete "£1,628" and substitute "£2,104".

—Derek McDowell.

3. In page 18, column (4), line 11, to delete "€2,794" and substitute "€3,600".

—Derek McDowell.

SECTION 2—*continued.*

4. In page 18, column (3), line 14, to delete "£814" and substitute "£1,052".

—Derek McDowell.

5. In page 18, column (4), line 14, to delete "€1,397" and substitute "€1,800".

—Derek McDowell.

6. In page 18, column (3), line 32, to delete "£238" and substitute "£438".

—Derek McDowell.

7. In page 18, column (3), line 33, to delete "£119" and substitute "£219".

—Derek McDowell.

8. In page 18, column (3), line 35, to delete "£238" and substitute "£468".

—Derek McDowell.

9. In page 18, column (4), line 35, to delete "€408" and substitute "€800".

—Derek McDowell.

10. In page 18, column (3), line 44, to delete "£296" and substitute "£533".

—Jim Mitchell, Paul McGrath.

11. In page 18, column (4), line 44, to delete "€508" and substitute "€914".

—Jim Mitchell, Paul McGrath.

SECTION 3

12. In page 19, between lines 16 and 17, to insert the following:

"

The next £11,100	30 per cent	the middle rate

".

—Jim Mitchell, Paul McGrath.

13. In page 19, between lines 22 and 23, to insert the following:

"

The next £8,769	30 per cent	the middle rate

".

—Jim Mitchell, Paul McGrath.

14. In page 19, column (1), line 28, to delete "£21,460" and substitute "£29,600".

—Jim Mitchell, Paul McGrath.

15. In page 19, between lines 28 and 29, to insert the following:

"

The next £22,200	30 per cent	the middle rate

".

—Jim Mitchell, Paul McGrath.

16. In page 19, between lines 43 and 44, to insert the following:

"

The next €19,046	30 per cent	the middle rate

".

—Jim Mitchell, Paul McGrath.

17. In page 20, between lines 5 and 6, to insert the following:

"

The next €15,046	30 per cent	the middle rate

".

—Jim Mitchell, Paul McGrath.

18. In page 20, column (1), line 11, to delete "€36,823" and substitute "€38,000".

—Derek McDowell.

19. In page 20, column (1), line 11, to delete "€36,823" and substitute "€50,790".

—Jim Mitchell, Paul McGrath.

20. In page 20, between lines 11 and 12, to insert the following:

"

The next €38,092	30 per cent	the middle rate

".

—Jim Mitchell, Paul McGrath.

21. In page 20, column (2), line 12, to delete "42" and substitute "44".

—Derek McDowell.

SECTION 3—*continued.*

22. In page 20, between lines 13 and 14, to insert the following:

"(*d*) for the purposes of this section a married couple, both of whom have attained 65 years of age, shall be treated in like manner as a married couple where both spouses are in employment irrespective of whether one or both spouses are in fact in employment.".

—Derek McDowell.

SECTION 4

23. In page 21, line 1, to delete "€21,586" and substitute "€25,000".

—Derek McDowell.

24. In page 21, line 2, to delete "€10,793" and substitute "€12,500".

—Derek McDowell.

SECTION 6

25. In page 22, before section 6, to insert the following new section:

"Payments to former officers and employees of Irish Shipping Limited.

6.—Section 123 of the Taxes Consolidation Act, 1997 (which relates to the general tax treatment of payments on retirement or removal from office or employment), is hereby amended by the insertion of the following subsection after subsection (6):

'(7) This section shall not apply, and it and section 114 of the Income Tax Act, 1967, shall be deemed never to have applied, to any payment made or to be made under the Irish Shipping Limited (Payments to Former Employees) Act, 1994.'.".

—Derek McDowell.

SECTION 8

26. In page 22, before section 8, to insert the following new section:

"Amendment of section 469 (relief for health expenses) of Principal Act.

8.—As respects the year of assessment 2001 and subsequent years of assessment, subsection (1) of section 469 of the Principal Act is amended—

(*a*) in the definition of 'dependant'—

(i) by the substitution in paragraph (*b*) of 'under section 465,' for 'under section 465 or 466, and',

(ii) by the substitution in subparagraph (ii) of paragraph (*c*) of 'year of assessment, and' for 'year of assessment;', and

(iii) by the insertion of the following paragraph after paragraph (*c*):

‘(*d*) any other person being—

(i) a relative of the individual, or of the individual’s spouse, who is incapacitated by old age or infirmity from maintaining himself or herself,

(ii) the widowed father or widowed mother of the individual or of the individual’s spouse, whether incapacitated or not, or

(iii) a son or daughter of the individual who resides with the individual and on whose services the individual, by reason of old age or infirmity, is compelled to depend;’,

(*b*) by the insertion of the following after the definition of ‘dependant’:

‘ “educational psychologist” means a person who is entered on a register maintained by the Minister for Education and Science for the purposes of this section in accordance with guidelines set down by that Minister with the consent of the Minister for Finance;’,

(*c*) in the definition of ‘health care’ by the deletion of ‘other than routine maternity care’,

(*d*) in the definition of ‘health expenses’ by the insertion of the following after paragraph (*h*):

‘(*i*) as respects a dependant of the individual referred to in paragraphs (*b*) and (*c*) of the definition of “dependant” either or both—

(I) educational psychological assessment carried out by an educational psychologist, and

(II) speech and language therapy carried out by a speech and language therapist;’,

(*e*) by the deletion of the definition of ‘routine maternity care’, and

(*f*) by the insertion of the following after the definition of ‘routine ophthalmic treatment’:

SECTION 8—*continued.*

‘ “speech and language therapist” means a person approved of for the purposes of this section by the Minister for Health and Children in accordance with guidelines set down by that Minister with the consent of the Minister for Finance.’.”.

—An tAire Airgeadais.

[*Acceptance of this amendment involves the deletion of section 8 of the Bill.*]

SECTION 9

27. In page 23, line 30, to delete “€2,540” and substitute “€6,350”.

—Derek McDowell.

28. In page 23, line 32, to delete “€5,080” and substitute “€8,000”.

—Derek McDowell.

29. In page 23, line 34, to delete “€1,270” and substitute “€3,175”.

—Derek McDowell.

30. In page 23, line 37, to delete “€2,540” and substitute “€4,000”.

—Derek McDowell.

SECTION 11

31. In page 27, subsection (2), line 13, to delete “€130” and substitute “€300”.

—Derek McDowell.

SECTION 13

32. In page 27, before section 13, to insert the following new section:

“Amendment of section 481 (relief for investment in films) of Principal Act.

13.—The Principal Act is amended in section 481(1) by the substitution of the following for the definition of ‘relevant deduction’:

‘ “relevant deduction” means a deduction of an amount equal to 100 per cent of the relevant investment in respect of a film where the total cost of production does not exceed £4,000,000 and 85 per cent where the total cost of production of a film is in excess of £4,000,000;’.”.

—Jimmy Deenihan, Jim Mitchell.

33. In page 29, to delete lines 1 to 5 and substitute the following:

“(*a*) would have been eligible to have shares appropriated to him or her, had such shares been available for appropriation, under a scheme approved of by the Revenue Commissioners under Schedule 11 and for which approval has not been withdrawn, and”.

—An tAire Airgeadais.

SECTION 15

34. In page 30, to delete lines 46 and 47, and substitute the following:

"right and ending with his or her disposal of any of—

(*a*) the shares acquired by the exercise of the right, or

(*b*) in a case where section 584, 586 or 587 applies, the shares received in exchange for the shares so acquired,

is less than 3 years.".

—An tAire Airgeadais.

35. In page 32, line 17, to delete "obtained" and substitute "exercised".

—An tAire Airgeadais.

36. In page 32, lines 29 and 30, to delete "15 February 2001" and substitute "the time the right was obtained".

—An tAire Airgeadais.

37. In page 34, to delete lines 25 to 27, and substitute the following:

"(3) For the purposes of subparagraph (2), 'a group of companies' means a company and any other companies of which it has control or with which it is associated.

(4) For the purposes of subparagraph (3), a company shall be associated with another company where it could reasonably be considered that—

(*a*) both companies act in pursuit of a common purpose,

(*b*) any person or any group of persons or groups of persons having a reasonable commonality of identity have or had the means or power, either directly or indirectly, to determine the trading operations carried on or to be carried on by both companies, or

(*c*) both companies are under the control of any person or group of persons or groups of persons having a reasonable commonality of identity.".

—An tAire Airgeadais.

38. In page 35, line 43, after "terms" to insert "provided that the market value of the shares acquired during the course of any one tax year shall not exceed in value one third of the total remuneration acquired by that employee during the course of that tax year".

—Derek McDowell.

39. In page 36, to delete lines 1 to 20.

—Derek McDowell.

SECTION 15—*continued.*

40. In page 40, to delete lines 36 to 44, and substitute the following:

"auditor of a grantor company certifying that, in his or her opinion—

(*a*) the terms of any rule or rules included in the scheme by virtue of either or both paragraphs 8 and 9 are complied with in relation to a year of assessment, or

(*b*) as respects rights obtained under the scheme before it was approved under this Schedule, the conditions in subsection (7)(*b*) of section 519D are satisfied.

Options etc.

21. (1) For the purposes of section 437(2), as applied by paragraph 10(*b*) of this Schedule, a right to acquire shares (however arising) shall be taken to be a right to control them.

(2) Any reference in subparagraph (3) to the shares attributed to an individual is a reference to the shares which, in accordance with section 437(2) as applied by paragraph 10(*b*) of this Schedule, fall to be brought into account in that individual's case to determine whether their number exceeds a particular percentage of the company's ordinary share capital.

(3) In any case where—

(*a*) the shares attributed to an individual consist of or include shares which that individual or any other person has a right to acquire, and

(*b*) the circumstances are such that, if that right were to be exercised, the shares acquired would be shares which were previously unissued and which the company is contractually bound to issue in the event of the exercise of the right,

then, in determining at any time prior to the exercise of that right whether the number of shares attributed to the individual exceeds a particular percentage of the ordinary share capital of the company, that ordinary share capital shall be taken to be increased by the number of unissued shares referred to in clause (*b*).',".

—An tAire Airgeadais.

SECTION 16

41. In page 41, before section 16, to insert the following new section:

"Amendment of provisions relating to employee share schemes.

16.—The Principal Act is amended—

(*a*) in Schedule 11, as respects profit sharing schemes approved on or after the passing of this Act, by the substitution in subparagraph (1A) (inserted by the Finance Act, 1998) of paragraph 4 of the following for clause (*b*):

'(*b*) For the purposes of this subparagraph—

(i) "a group of companies" means a company and any other companies of which it has control or with which it is associated, and

(ii) a company shall be associated with another company where it could reasonably be considered that—

(I) both companies act in pursuit of a common purpose,

(II) any person or any group of persons or groups of persons having a reasonable commonality of identity have or had the means or power, either directly or indirectly, to determine the trading operations carried on or to be carried on by both companies, or

(III) both companies are under the control of any person or group of persons or groups of persons having a reasonable commonality of identity.',

(*b*) in Schedule 12, as respects employee share ownership trusts approved on or after the passing of this Act, by the substitution in paragraph 2(2) (inserted by the Finance Act, 1998) of the following for clause (*b*):

'(*b*) For the purposes of this subparagraph—

(i) "a group of companies" means a company and any other companies of which it has control or with which it is associated, and

(ii) a company shall be associated with another company where it could reasonably be considered that—

(I) both companies act in pursuit of a common purpose,

(II) any person or any group of persons or groups of persons having a reasonable commonality of identity have or had the means or power, either directly or indirectly, to determine the trading operations carried on or to be carried on by both companies, or

(III) both companies are under the control of any person or group of persons or groups of persons having a reasonable commonality of identity.',

and

(*c*) in Schedule 12A (inserted by the Finance Act, 1999), as respects savings-related share option schemes approved on or after the passing of this Act, by the substitution in paragraph 3 of the following for subparagraph (3):

'(3) For the purposes of subparagaph (2)—

(*a*) "a group of companies" means a company and any other companies of which it has control or with which it is associated, and

(*b*) a company shall be associated with another company where it could reasonably be considered that—

(i) both companies act in pursuit of a common purpose,

(ii) any person or any group of persons or groups of persons having a reasonable commonality of identity have or had the means or power, either directly or indirectly, to determine the trading operations carried on or to be carried on by both companies, or

(iii) both companies are under the control of any person or group of persons or groups of persons having a reasonable commonality of identity.'.".

—An tAire Airgeadais.

42. In page 41, before section 16, to insert the following new section:

"Provisions relating to certain approved profit sharing schemes and employee share ownership trusts.

16.— (1) The Principal Act is amended—

(*a*) in section 511A—

(i) by the insertion in subsection (2)(*c*) of 'or paragraph 11A, as the case may be,' after 'paragraph 11', and

(ii) by the insertion in subsection (5) of 'or paragraph 11A, as the case may be,' after 'paragraph 11',

(*b*) in Schedule 11—

(i) in paragraph 4—

(I) by the insertion in subparagraph (1A)(*a*)(i) of ', having regard to subparagraph (1B),' after 'subparagraph (1)', and

(II) by the insertion of the following subparagraph after subparagraph (1A):

'(1B) As respects a scheme which has been established by a relevant company (within the meaning of paragraph 1 of Schedule 12)—

(*a*) any reference in subparagraph (1)(*a*)(ii) to an employee or a full-time director shall be deemed to be a reference to an individual who was such an employee or a full-time director, as the case may be, of that relevant company or of a company within the relevant company's group (within the meaning of paragraph 1(3A) of Schedule 12) on the day the scheme was established, and

(*b*) for the purposes of satisfying the qualifying period requirement referred to in subparagraph (1)(*b*), such periods in which an individual was or is an employee or a director of a company referred to in subparagraphs (3)(*b*) and (13) of paragraph 11A of Schedule 12 shall also be taken into account.',

(ii) in paragraph 12A by the insertion in subparagraph (*b*) of 'or paragraph 11A, as the case may be,' after 'paragraph 11', and

(iii) by the insertion of the following paragraph after paragraph 13A:

'13B.(1) Nothing in paragraph 13 shall prevent shares being appropriated to an individual under an approved scheme established by a relevant company (within the meaning of paragraph 1 of Schedule 12) and where, in a year of assessment, shares have been appropriated to an individual under such an approved scheme, paragraph 13 shall apply as if those shares had not been appropriated to that individual in that year of assessment.

(2) Section 515 and paragraph 3(4) shall, subject to any necessary modification, apply in respect of all shares appropriated to that individual in that year of assessment.',

and

(*c*) in Schedule 12—

(i) in paragraph 1—

(I) by the insertion in subparagraph (1) after the definition of 'ordinary share capital' of the following:

' "relevant company" means—

(*a*) a company into which a trustee savings bank has been reorganised under section 57 of the Trustee Savings Banks Act, 1989, or

(*b*) ICC Bank plc;

and

(II) by the insertion of the following subparagraph after subparagraph (3):

'(3A) For the purposes of this Schedule a company falls within the relevant company's group at a particular time if—

(*a*) it is the relevant company, or

(*b*) at that time, it is controlled by the relevant company and the trust concerned referred to in paragraph 2(1) is expressed to extend to it.',

(ii) by the insertion of the following paragraph after paragraph 7:

'7A. Notwithstanding any other provision in this Schedule, in a case to which paragraph 11A applies, any reference in paragraph 8, 9 or 10 to an employee or a director of a company shall be construed as a reference to an individual who—

(*a*) was an employee or a director, as the case may be, of the relevant company or of a company within the relevant company's group on the day the trust was established, and

(*b*) is, at the relevant time (within the meaning, as may be appropriate in the circumstances, of paragraph 8, 9 or 10), an employee or a director, as the case may be, of a company referred to in paragraph 11A(3)(*b*).',

and

(iii) by the insertion of the following paragraph after paragraph 11:

'11A.—(1) Notwithstanding any other provision of this Schedule, in any case where a trust is established by a company which is a relevant company, this Schedule shall, with any necessary modification, apply as respects the beneficiaries under the trust as if this paragraph were substituted for paragraph 11.

(2) The trust deed shall contain provision as to the beneficiaries under the trust in accordance with this paragraph.

(3) The trust deed shall provide that a person is a beneficiary at a particular time (in this subparagraph referred to as the "relevant time") if—

(*a*) the person was an employee or a director of the relevant company or of a company within the relevant company's group on the day the trust was established by that relevant company,

(*b*) the person is at the relevant time an employee or a director of—

(i) a company (in this subparagraph referred to as the "first-mentioned company") which is, or was at any time since the day the trust was established, within the founding company's group,

(ii) a company within a group of companies (within the meaning of paragraph 2(2)(*b*)) which has acquired control of the first-mentioned company,

(iii) a company to which—

(I) an employee, or

(II) a director,

referred to in clause (*a*) has been transferred under either or both the European Communities (Safeguarding of Employees' Rights on Transfer of Undertaking) Regulations, 1980 and 2000 and the Central Bank Act, 1971, or

(iv) a company within a group of companies (within the meaning of paragraph 2(2)(*b*)), of which the company referred to in subclause (iii) is, or was at any time, a member,

(*c*) at each given time in a qualifying period the person was such an employee or a director of a company referred to in clause (*b*),

(*d*) in the case of a director, at that given time the person worked as a director of a company referred to in clause (*b*) or of a company within the relevant company's group at the rate of at least 20 hours a week (disregarding such matters as holidays and sickness), and

(*e*) the person is chargeable to income tax in respect of his or her office or employment under Schedule E.

(4) The trust deed may provide that a person is a beneficiary at a particular time if, but for subparagraph (3)(*e*), he or she would be a beneficiary within the rule which is included in the deed and conforms with subparagraph (3).

(5) Subject to subparagraph (6), the trust deed may provide that a person is a beneficiary at a particular time (in this subparagraph referred to as the "relevant time") if—

(*a*) the person was an employee or a director of the relevant company or of a company within the relevant company's group on the day the trust was established by that relevant company,

(*b*) the person has at each given time in a qualifying period been an employee or a director of a company referred to in subparagraph (3)(*b*) at that given time,

(*c*) the person has ceased to be an employee or a director of a company referred to in subparagraph (3)(*b*),

(*d*) at each given time in the 5 year period, or such lesser period as the Minister for Finance may by order prescribe, commencing on the date the trust was established, 50 per cent or such lesser percentage as the Minister for Finance may by order prescribe, of the securities retained by the trustees at that time were pledged by them as security for borrowings, and

(*e*) at the relevant time a period of not more than 15 years has elapsed since the trust was established.

(6) The trust deed may provide that a person is a beneficiary at a particular time (in this subparagraph referred to as the "relevant time") if—

(*a*) the person was an employee or a director of the relevant company or of a company within the relevant company's group on the day the trust was established by that relevant company,

(*b*) the person has at each given time in a qualifying period been an employee or a director of a company referred to in subparagraph (3)(*b*) at that given time,

(*c*) the person has ceased to be an employee or a director of a company referred to in subparagraph (3)(*b*), and

(*d*) at the relevant time a period of not more than 18 months has elapsed since the person so ceased.

(7) The trust deed shall not contain a rule that conforms with subparagraph (5) unless the rule is expressed as applying to every person within it.

(8) The trust deed may provide for a person to be a beneficiary if the person is a charity and the circumstances are such that—

(*a*) there is no person who is a beneficiary within the rule which is included in the deed and conforms with subparagraph (3) or with any rule which is so included and conforms with subparagraph (4), (5) or (6), and

(*b*) the trust is in consequence of being wound up.

(9) For the purposes of subparagraph (3), a qualifying period shall be a period—

(*a*) whose length is not more than 3 years,

(*b*) whose length is specified in the trust deed, and

(*c*) which ends with the relevant time (within the meaning of that subparagraph).

(10) For the purposes of subparagraphs (5) and (6), a qualifying period shall be a period—

(*a*) whose length is equal to that of the period specified in the trust deed for the purposes of a rule which conforms with subparagraph (3), and

(*b*) which ends when the person ceased as mentioned in subparagraph (5)(*c*) or (6)(*c*), as the case maybe.

(11) The trust deed shall not provide for a person to be a beneficiary unless the person is within the rule which is included in the deed and conforms with subparagraph (3) or any rule which is so included and conforms with subparagraph (4), (5), (6) or (8).

(12) The trust deed shall provide that, notwithstanding any other rule which is included in it, a person cannot be a beneficiary at a particular time (in this subparagraph referred to as the "relevant time") by virtue of a rule which conforms with subparagraph (3), (4), (5), (6) or (8) if—

(*a*) at the relevant time the person has a material interest in a company referred to in subparagraph (3)(*b*), or

(*b*) at any time in the period of one year preceding the relevant time the person has had a material interest in that company,

and for the purposes of this subparagraph any reference to a company shall, in a case to which clause (*a*) of the definition of relevant company applies, also include a reference to a trustee savings bank which has been reorganised into the relevant company concerned.

(13) For the purposes of satisfying the qualifying period requirement referred to in subparagraphs (3)(*c*), (5)(*b*) and (6)(*b*) a person shall also be regarded as such an employee or a director for any period in which that person is an employee or a director of, in a case to which clause (*a*) of the definition of relevant company applies, a trustee savings bank which has been reorganised into that relevant company.

(14) For the purposes of this paragraph "charity" means any body of persons or trust established for charitable purposes only.

(15) Where an order is proposed to be made under subparagraph (5)(*d*), a draft of the order shall be laid before Dáil Éireann and the order shall not be made until a resolution approving of the draft has been passed by Dáil Éireann.'.

(2) Subsection (1) shall apply and have effect as respects—

(*a*) a profit sharing scheme, or

(*b*) an employee share ownership trust,

approved on or after 12 December 2000.".

—An tAire Airgeadais.

43. In page 41, before section 16, to insert the following new section:

"Amendment of section 774 (certain approved schemes: exemptions and reliefs) of Principal Act.

16.—Section 774 of the Principal Act is amended by the substitution of the following for subsection (7)(*c*):

'(7)(*c*) "the aggregate amount of any contributions (whether ordinary annual contributions or contributions treated as ordinary annual contributions) allowed to be deducted in any year shall not be more than—

(i) in the case of an individual who at any time during the year of assessment was of the age of 30 years or over but had not attained the age of 40 years, 20 per cent,

(ii) in the case of an individual who at any time during the year of assessment was of the age of 40 years or over but had not attained the age of 50 years, 25 per cent,

(iii) in the case of an individual who at any time during the year of assessment was of the age of 50 years or over or who for the year of assessment was a specified individual, 30 per cent, and

(iv) in any other case 15 per cent,

of the remuneration for that year of the office or employment in respect of which the contributions are paid.'.".

—Jim Mitchell, Paul McGrath.

44. In page 41, before section 16, to insert the following new section:

"Amendment of Part 30 (occupational pension schemes, retirement annuities, purchased life annuities and certain pensions) of Principal Act.

16.—Part 30 of the Principal Act is amended—

(*a*) in Chapter 1—

(i) in section 770(1):

(I) by the insertion of the following after the definition of 'pension':

' "pension adjustment order" means an order made in accordance with either section 12 of the Family Law Act, 1995, or section 17 of the Family Law (Divorce) Act, 1996;',

(II) by the substitution of the following for the definition of proprietary director:

' "proprietary director" means a director who, either alone or together with his or her spouse and minor children is or was, at any time within 3 years of the date of—

(i) the specified normal retirement date,

(ii) an earlier retirement date, where applicable,

(iii) leaving service, or

(iv) in the case of a pension or part of a pension payable in accordance with a pension adjustment order, the relevant date in relation to that order,

the beneficial owner of shares which, when added to any shares held by the trustees of any settlement to which the director or his or her spouse had transferred assets, carry more than 5 per cent of the voting rights in the company providing the benefits or in a company which controls that company;',

and

(III) by the insertion of the following after the definition of 'relevant benefits':

' "relevant date" means, in relation to a pension adjustment order, the date on which the decree of separation or the decree of divorce, as the case may be, was granted, by reference to which the pension adjustment order in question was made;',

and

(ii) in subsection (3A) (inserted by Finance Act, 1999) of section 772, by the substitution of the following for subparagraph (i):

'(i) a proprietary director of, or where a pension or part of a pension is payable in accordance with a pension adjustment order, the spouse or former spouse to whom the pension or part of the pension is so payable, of a proprietary director of, a company to which the scheme relates, or',

and

(*b*) in Chapter 2—

(i) in section 784, by the insertion of the following after subsection (6):

'(7) Notwithstanding anything in section 18 or section 19, any payment of an annuity made on or after 1 January 2002 in respect of an annuity contract approved under this section or under section 785 shall be regarded as a pension chargeable to tax under Schedule E, and Chapter 4 of Part 42 shall apply accordingly.',

(ii) in paragraph (*c*) of subsection (6) of section 784E (inserted by the Finance Act, 1999), by the substitution, as on and from 25 March 1999, for 'subsections (2) and (4)' of 'subsections (2) to (4)',

SECTION 16—*continued.*

and

(iii) in section 787—

(I) by the deletion of subsection (9),

(II) by the substitution of the following for subsection (10):

'(10) Where in any year of assessment a reduction or a greater reduction would be made under this section in the relevant earnings of an individual but for an insufficiency of net relevant earnings, the amount of the reduction which would have been made but for that reason, less the amount of the reduction which is made in that year, shall be carried forward to the next year of assessment, and shall be treated for the purposes of relief under this section as the amount of a qualifying premium paid in the next year of assessment.',

and

(III) by the deletion of subsection (12).".

—An tAire Airgeadais.

[*Acceptance of this amendment involves the deletion of section 16 of the Bill*]

SECTION 18

45. In page 44, before section 18, to insert the following new section:

"Relief for premiums under qualifying long-term care policies, etc.

18.—The Principal Act is amended—

(*a*) in Chapter 1 of Part 15—

(i) by the insertion in Part 2 of the Table to section 458 of 'Section 470A' after 'Section 470', and

(ii) by the insertion of the following after section 470:

'Relief for premiums under qualifying long-term care policies.

470A—(1) In this section—

"activities of daily living" means one or more of the following, that is to say, washing, dressing, feeding, toileting, mobility and transferring;

"appropriate percentage", in relation to a year of assessment, means a percentage equal to the standard rate of tax for that year;

"long-term care services" means necessary diagnostic, preventive, therapeutic, curing, treating, mitigating and rehabilitative services and maintenance or personal care services carried out by or on the advice of a practitioner;

"maintenance or personal care services" means any care the primary purpose of which is the provision of needed assistance with any of the disabilities as a result of which an individual is a relevant individual (including protection from threats to health and safety due to severe cognitive impairment);

"mobility" means the ability to move indoors from room to room on level surfaces;

"policy" means a policy of insurance;

"PPS Number", in relation to an individual, means that individual's Personal Public Service Number within the meaning of section 223 of the Social Welfare (Consolidation) Act, 1993;

"practitioner" means any person who is registered in the register established under section 26 of the Medical Practitioners Act, 1978, or, in relation to long-term care services provided outside the State, is entitled under the laws of the territory in which such services are provided to practice medicine there;

"qualifying individual" in relation to an individual and a qualifying long-term care policy, means—

(*a*) the individual,

(*b*) the spouse or a child of the individual, or

(*c*) a relative of the individual or of the spouse of the individual;

"qualifying insurer" means, subject to subsection (2), the holder of—

(i) an authorisation issued by the Minister for Enterprise, Trade and Employment under the European Communities (Life Assurance) Regulations of 1984 (S.I. No. 57 of 1984) as amended, or

(ii) an authorisation granted by the authority charged by law with the duty of supervising the activities of insurance undertakings in a Member State of the European Communities, other than the State, in accordance with Article 6 of Directive No. 79/267/EEC[1], who is carrying on the business of life assurance in the State, or

(iii) an official authorisation to undertake insurance in Iceland, Liechtenstein and Norway pursuant to the EEA Agreement within the meaning of the European Communities (Amendment) Act, 1993, and who is carrying on the business of life assurance in the State;

"qualifying long-term care policy" means a policy which provides for the discharge or reimbursement of expenses of long-term care services for a relevant individual and which, in accordance with the provisions of this section, is approved of by the Revenue Commissioners for the purposes of this section;

"relative", in relation to an individual or the spouse of the individual, includes a relation by marriage and a person in respect of whom the individual is or was the legal guardian;

"relevant individual", in relation to a qualifying long-term care policy, means a qualifying individual in relation to that policy in respect of whom a practitioner has certified that the individual is—

(*a*) unable to perform (without substantial assistance from another individual) at least 2 of the activities of daily living for a period of at least 90 days due to a loss of functional capacity, or

(*b*) requires substantial supervision to protect such individual from threats to health and safety due to severe cognitive impairment;

"transferring" means the ability to move from a bed to an upright chair or a wheelchair and *vice versa*.

(2)(*a*) A person shall not be a qualifying insurer until such time as the person has been entered in a register maintained by the Revenue Commissioners for the purposes of this section and any regulations made thereunder.

(*b*) Where at any time a qualifying insurer—

(i) is not resident in the State, or

(ii) is not carrying on business in the State through a fixed place of business,

the qualifying insurer shall ensure that there is a person resident in the State and appointed by the qualifying insurer to be responsible for the discharge of all the duties and obligations imposed on the qualifying insurer by this section and any regulations made thereunder.

(*c*) Where a qualifying insurer appoints a person in accordance with paragraph (*b*), that insurer shall advise the Revenue Commissioners of the identity of that person and the fact of the person's appointment.

(3)(*a*) The Revenue Commissioners shall not approve a policy for the purposes of this section unless they are satisfied that—

(i) the only benefits provided under the policy are the discharge or reimbursement of expenses of long-term care services in respect of an individual who is a relevant individual in relation to the policy,

(ii) the policy is either not expressed to be terminable by the insurer under the terms of the policy, or is expressed to be so terminable only in special circumstances mentioned in the policy,

(iii) the policy secures that for the purposes of the policy the question of whether an individual is a relevant individual shall be determined by reference to at least 5 activities of daily living,

(iv) subject to paragraph (*b*), the policy does not provide for—

(I) a lump sum payment on termination,

(II) a cash surrender value, or

(III) any other money,

that can be paid or assigned to any person, borrowed, or pledged as collateral for a loan, and

(v) the policy is not connected with any other policy.

(*b*) A policy shall not fail to meet the requirements of paragraph (*a*)(iv) merely because it provides for the payment of periodic amounts of money without regard to the expenses incurred on the services provided during the period to which the payments relate.

(*c*) A policy is connected with another policy, whether held by the same person or another person, if—

(i) either policy was issued in respect of an assurance made with reference to the other, or with a view to enabling the other to be made on particular terms, or with a view to facilitating the making of the other on particular terms, and

(ii) the terms on which either policy was issued would have been different if the other policy had not been issued.

(4)(*a*) A long-term care policy shall be a qualifying long-term care policy within the meaning of this section if it conforms with a form which at the time it is issued is either—

(i) a standard form approved by the Revenue Commissioners as a standard form of qualifying long-term care policy, or

(ii) a form varying from a standard form so approved in no other respects than by making such alterations to that standard form as are, at the time the policy is issued, approved by the Revenue Commissioners as being compatible with a qualifying long-term care policy when made to that standard form and satisfying any conditions subject to which the alterations are so approved.

(*b*) In approving a policy, or a standard form of a policy, as a qualifying long-term care policy for the purposes of this section, the Revenue Commissioners may disregard any provision of the policy which appears to them insignificant.

(5) Where, for any year of assessment, an individual, who is resident in the State, makes a payment to a qualifying insurer in respect of a premium under a qualifying long-term care policy, the beneficiary of which is a qualifying individual in relation to the individual, the individual making the payment shall, subject to the condition specified in subsection (6), be entitled to relief under this section in accordance with subsection (8).

(6) The condition specified in this subsection is that, at the time the long-term care policy is entered into, the individual (in this subsection referred to as the "declarer") furnishes to the qualifying insurer a declaration in writing which—

(*a*) is made and signed by the declarer,

(*b*) is made in such form as may be prescribed or authorised by the Revenue Commissioners,

(*c*) contains the declarer's full name, the address of his or her permanent residence and his or her PPS Number,

(*d*) declares that—

(i) at the time the declaration is made that he or she is resident in the State, and

(ii) the beneficiary under the policy is a qualifying individual in relation to the declarer,

and

(*e*) contains an undertaking that if, at any time while the long-term care policy is in force, the declarer ceases to be resident in the State he or she will notify the qualifying insurer accordingly.

(7)(*a*) A qualifying insurer shall—

(i) keep and retain for the longer of the following periods—

(I) a period of 6 years, and

(II) a period which, in relation to the long-term care policy in respect of which the declaration is made, ends not later than 3 years after the date on which premiums have ceased to be paid or payable in respect of the policy,

all declarations of the kind mentioned in subsection (6) which have been made in respect of qualifying long-term care policies issued by the qualifying insurer, and

(ii) on being so required by notice given to that insurer in writing by an inspector, make available within the State to the inspector, within the time specified in the notice, all or any of the declarations of the kind mentioned in subsection (6).

(*b*) The inspector may examine or take extracts from or copies of any declarations made available to him or her under paragraph (*a*).

(8)(*a*) Where an individual makes a payment to a qualifying insurer in respect of which he or she is entitled to relief under this section, the individual shall be entitled to deduct and retain out of the payment an amount equal to the appropriate percentage for the year of assessment in which payment of the premium falls due.

(*b*) The qualifying insurer to whom a payment referred to in paragraph (*a*) is made—

(i) shall accept the amount paid after deduction in discharge of the individual's liability to the same extent as if the deduction had not been made, and

(ii) may, on making a claim in accordance with regulations, recover from the Revenue Commissioners an amount equal to the amount deducted.

(9)(*a*) The Revenue Commissioners shall make regulations providing generally as to administration of this section and those regulations may, in particular and without prejudice to the generality of the foregoing, include provision—

(i) for the registration of persons as qualifying insurers for the purposes of this section and those regulations,

(ii) that a claim under subsection (8)(*b*)(ii) by a qualifying insurer shall—

(I) be made in such form and manner,

(II) be made at such time, and

(III) be accompanied by such documents,

as provided for in the regulations,

(iii) for the making of annual information returns by qualifying insurers, in such form (including electronic form) and manner as may be prescribed, and

containing specified details in relation to—

(I) each individual making payments to such insurers under qualifying long-term care policies in a year of assessment,

(II) the total amount of premiums paid under a qualifying long-term care policy by that individual in the year of assessment, and

(III) the total amount deducted by that individual under subsection (8)(*a*),

and

(iv) for the furnishing of information to the Revenue Commissioners for the purposes of the regulations.

(*b*) Every regulation made under this section shall be laid before Dáil Éireann as soon as may be after it is made and, if a resolution annulling the regulation is passed by Dáil Éireann within the next 21 days on which Dáil Éireann has sat after the regulation is laid before it, the regulation shall be annulled accordingly, but without prejudice to the validity of anything previously done thereunder.

(10)(*a*) Where any amount is paid to a qualifying insurer by the Revenue Commissioners as an amount recoverable by virtue of subsection (8)(*b*)(ii) but is an amount to which that qualifying insurer is not entitled, that amount shall be repaid by the qualifying insurer.

(*b*) There shall be made such assessments, adjustments or set-offs as may be required for securing repayment of the amount referred to in paragraph (*a*) and the provisions of this Act relating to the assessment, collection and recovery of income tax shall, in so far as they are applicable and with necessary modification,

apply in relation to the recovery of such amount.

(11) Where relief is given under this section in respect of a payment, relief shall not be given under any other provision of the Income Tax Acts in respect of that payment.

(12) The Revenue Commissioners may nominate any of their officers, including an inspector, to perform any acts and discharge any functions authorised by this section, other than those specified in subsection (9), to be performed or discharged by them.',

(*b*) in Chapter 1 of Part 44, by the substitution in section 1024(2)(*a*) of the following for subparagraph (vi):

'(vi) relief under sections 470, 470A and 473, to the husband or to the wife according as he or she made the payment giving rise to the relief;',

and

(*c*) in Schedule 29, by the insertion, in column 1, after 'section 121' of 'section 470A and Regulations under that section'.".

—An tAire Airgeadais.

[1]O.J. No. L 63 of 13 March, 1979, p.1

46. In page 44, before section 18, to insert the following new section:

"Amendment of section 189 (payments in respect of personal injuries) of Principal Act.

18.—Section 189(2) of the Principal Act is hereby amended by the substitution for 'or under Schedule F' of ', under Schedule F or by virtue or Chapter 5 of Part 23'.".

—Jim Mitchell, Paul McGrath.

47. In page 44, to delete lines 39 to 51, and in page 45, to delete lines 1 and 2 and substitute the following:

" '112A.—(1) In this section—

"appropriate percentage", "authorised insurer", "relevant contract" and "relievable amount" have the same meanings, respectively, as in section 470, and

"qualifying insurer" and "qualifying long-term care policy" have the same meanings, respectively, as in section 470A.

SECTION 18—*continued.*

(2) Section 112 shall apply in relation to a perquisite comprising the payment to—

(*a*) an authorised insurer under a relevant contract, or

(*b*) a qualifying insurer under a qualifying long-term care policy

as if any deduction authorised by—

(i) in a case in which paragraph (*a*) applies, section 470(3)(*a*), or

(ii) in a case in which paragraph (*b*) applies, section 470A(8)(*a*),

had not been made.

(3) Where, for any year of assessment, an employer (within the meaning of section 983)—

(*a*) makes a payment of emoluments consisting of a perquisite of the kind mentioned in subsection (2), and

(*b*) deducts therefrom and retains in accordance with—

(i) section 470(3)(*a*), an amount equal to the appropriate percentage for the year of assessment of the relievable amount in relation to the payment, or

(ii) section 470A(8)(*a*), an amount equal to the appropriate percentage for the year of assessment of the payment,'.".

—An tAire Airgeadais.

SECTION 19

48. In page 48, between lines 9 and 10, to insert the following subsections:

"(4) As respects the year of assessment 2001 and subsequent years of assessment, the Principal Act is amended in Chapter 4 of Part 38 by the insertion of the following after section 904F (inserted by *subsection (3)*):

'Power of inspection: claims by qualifying insurers.

904G.—(1) In this section—

"authorised officer" means an officer of the Revenue Commissioners authorised by them in writing to exercise the powers conferred by this section;

"qualifying insurer" and "qualifying long-term care policies" have the same meanings respectively as in section 470A.

(2) An authorised officer may at all reasonable times enter any premises or place of business of a qualifying insurer for the purpose of auditing for a year of assessment claims made by the qualifying insurer under section 470A(8)(*b*)(ii).

(3) Without prejudice to the generality of subsection (2), the authorised officer may—

(*a*) examine the procedures put in place by the qualifying insurer in relation to the vouching of claims referred to in that subsection, and

(*b*) check a sample of the cases in respect of which such a claim has been made to determine whether the procedures referred to in paragraph (*a*) have been observed in practice and whether they are adequate.

(4) An authorised officer may require a qualifying insurer or an employee of the qualifying insurer to furnish information, explanations and particulars and to give all assistance which the authorised officer reasonably requires for the purposes of his or her audit and examination under subsections (2) and (3).

(5) An authorised officer when exercising or performing his or her powers or duties under this section shall, on request, produce his or her authorisation for the purposes of this section.

(6) An employee of a qualifying insurer who fails to comply with the requirements of the authorised officer in the exercise or performance of the authorised officer's powers or duties under this section shall be liable to a penalty of £1,000.

(7) A qualifying insurer which fails to comply with the requirements of the authorised officer in the exercise or performance of the authorised officer's powers or duties under this section shall be liable to a penalty of £15,000 and, if that failure continues, a further penalty of £2,000 for each day on which the failure continues.

Power of inspection: qualifying savings managers.

904H.—(1) In this section—

"authorised officer" means an officer of the Revenue Commissioners authorised by them in writing to exercise the powers conferred by this section;

"qualifying savings manager" has the same meaning as in section 848B (inserted by the *Finance Act, 2001*);

"special savings incentive account" has the same meaning as in section 848B (inserted by the *Finance Act, 2001*).

(2) An authorised officer may at all reasonable times enter any premises or place of business of a qualifying savings manager, or a person (in this section referred to as an "appointed person") appointed by a qualifying savings manager in accordance with section 848R (inserted by the *Finance Act, 2001*), for the purposes of auditing compliance with the provisions of Part 36A (inserted by the *Finance Act, 2001*) and without prejudice to the generality of the foregoing the authorised officer may—

(*a*) audit the returns made in accordance with sections 848P and 848Q (inserted by the *Finance Act, 2001*),

(*b*) examine the procedures put in place by the qualifying savings manager, or as the case may be, the appointed person, so as to ensure compliance with the obligations imposed by Part 36A (inserted by the *Finance Act, 2001*),

(*c*) examine all, or a sample of, special savings incentive accounts to determine—

(i) whether those procedures have been observed in practice,

(ii) whether the terms under which each such account was commenced and continues, are in accordance with the terms referred to in section 848C (inserted by the *Finance Act, 2001*), and

(iii) whether the qualifying savings manager, in respect of each such account, is, where appropriate, in possession of a declaration referred to in sections 848F, 848I, and 848O (inserted by the *Finance Act, 2001*), and is not in possession of any information which would reasonably suggest that any such declaration is incorrect,

and

(*d*) examine any notice and declaration referred to in section 848N(3) (inserted by the *Finance Act, 2001*).

(3) An authorised officer may require a qualifying savings manager, or (as the case may be) the appointed person, or an employee of either such person, to produce all or any of the records relating to the management by him or her of special savings incentive accounts and furnish information, explanations and particulars and to give all assistance, which the authorised officer reasonably requires for the purposes of his or her audit and examination under subsection (2).

(4) An employee of a qualifying savings manager or of an appointed person who fails to comply with the requirements of the authorised officer in the exercise or performance of the authorised officer's powers or duties under this section shall be liable to a penalty of £1,000.

(5) A qualifying savings manager or an appointed person who fails to comply with the requirements of the authorised officer in the exercise or performance of the authorised officer's powers or duties under this section shall be liable to a penalty of £15,000 and, if that failure continues, a further penalty of £2,000 for each day on which the failure continues.'.

(5) As respects the year of assessment 2002 and subsequent years of assessment—

(*a*) section 904G (inserted by *subsection (4)*) of the Principal Act is amended—

SECTION 19—*continued.*

(i) by the substitution in subsection (6) of '€1,265' for '£1,000', and

(ii) by the substitution in subsection (7) of—

(I) '€19,045' for '£15,000', and

(II) '€2,535' for '£2,000',

and

(*b*) section 904H (inserted by *subsection (4)*) of the Principal Act is amended—

(i) by the substitution in subsection (4) of '€1,265' for '£1,000', and

(ii) by the substitution in subsection (5) of—

(I) '€19,045' for '£15,000', and

(II) '€2,535' for '£2,000'.".

—An tAire Airgeadais.

SECTION 20

49. In page 49, lines 25 and 26, to delete "Acts 1863 to 1989" and substitute "Act, 1989".

—An tAire Airgeadais, Derek McDowell.

SECTION 26

50. In page 54, line 31, after "Part 15" to insert "of the Principal Act".

—An tAire Airgeadais.

SECTION 27

51. In page 59, paragraph (*b*), line 12, to delete "161" and substitute "100".

—Derek McDowell.

SECTION 30

52. In page 61, before section 30, but in Chapter 2, to insert the following new section:

"Above ground floor level premises - rental income relief.

30.—The Principal Act is amended by the insertion of the following after section 97:

'Above ground floor level premises - rental income relief.

97A.—(1) In this section—

"qualifying lease" in relation to a qualifying premises means a lease of the whole or part of a qualifying premises the consideration for the grant of which consists solely of periodic payments all of which are or are to be treated as rent for the purpose of Chapter 8 of Part 4;

"qualifying period" means the period commencing on 5 March 2001 and ending on the last day of the specified period;

"qualifying premises" means a premises which is above ground floor level which—

(*a*) was owned by such person as shall be entitled to claim the relief on 5 March 2001 or such person or persons as shall obtain title to such qualifying premises by virtue of any provision of the Succession Act, 1965,

(*b*) has not been occupied within the period of 12 months prior to 5 March 2001 as a residence of any person,

(*c*) is a premises which is certified by the local authority where the premises are situated as suitable for conversion for residential accommodations prior to 5 March 2002,

(*d*) on the date of completion of the refurbishment to which the relevant expenditure relates is let (or, if not let on that date, is, without having been used after that date, first let) in its entirety under a qualifying lease and thereafter throughout the remainder of the relevant period (except for reasonable periods of temporary disuse between the ending of one qualifying lease and the commencement of another such lease) continues to be let under such a lease, and

(*e*) is a premises which after the date of complection of the refurbishment to which the relevant expenditure relates is certified by the local authority where the premises are

situated as meeting such requirements as shall have been specified by the local authority to be fit for habitation;

"qualifying rent" means the annual rent which shall be determined to be a fair rent by such person or persons as shall be appointed by the Minister for the Environment or 5 per cent of the value of the premises on 5 March 2001 as determined by the person or persons appointed by the local authority where the premises are situated and the cost of refurbishment as determined by the Revenue Commissioners;

"refurbishment" in relation to a building, means either or both of the following—

(i) the carrying out of any works of construction, reconstruction, repair or renewal, and

(ii) the provision or improvement of water, sewerage or heating facilities,

where the carrying out of such works or the provision of such facilities is certified by the local authority where the premises are situated, to have been necessary for the purpose of ensuring the suitability as a dwelling of the building or part of the building;

"relevant expenditure" means expenditure incurred on the refurbishment of a specified building, other than expenditure attributable to any part (in this section referred to as a "non-residential unit") of the building which on completion of the refurbishment is not part of the works certified by the local authority to be necessary for the purpose of ensuring the suitability as a dwelling of the building or part of the building;

"relevant period" in relation to a qualifying premises means—

(i) the period of 20 years beginning on the date of the completion of the refurbishment to which the relevant expenditure relates, or

(ii) if the premises was not let under a qualifying lease on that date the period of 20 years beginning on the date of the first such letting after the date of such completion;

"relevant rental agreement" in relation to a qualifying premises means a rental agreement which shall contain such terms as to the peaceful occupation of the premises by a tenant for so long as the tenant may wish (subject to such minimum period as may be specified) subject to the tenant paying the qualifying rent, the compliance by the tenant of such conditions as shall be imposed on such tenant and the compliance by the person claiming under this section of the condition to keep the premises in such conditions as shall be necessary for the purpose of ensuring the suitability as a dwelling as shall be specified by regulation from time to time made by the Minister for the Environment;

"specified building" means a building in such part of the area of a local authority as is certified by such local authority as requiring additional rental accommodation;

"date of completion" shall not be later than 5 March 2003.

(2) Where a person having made a claim proves to have incurred relevant expenditure in relation to a premises which is a qualifying premises let under a relevant rental agreement such person shall be entitled to claim a deduction of 5 per cent per annum of the cost of refurbishment against their total income which shall be in addition to any deductions or allowances such person may have been entitled to claim under section 97 if such person has not made a claim under this section. For the avoidance of any doubt a claim for a deduction against total income under this section shall not reduce any claim for a deduction or allowance under section 97 and shall be in addition to and not in substitution therefor.

(3) Where a premises ceases to be a qualifying premises at any time during the relevant period or ceases to qualify under subsection (1) then the person who before the occurrence of the event received, or was entitled to receive a deduction under subsection (2) shall immediately thereon cease to be a qualifying premises forthwith and no further allowances or deductions shall be allowable.

(4) For the purpose of subsection (1) a relevant rental agreement shall not include an agreement between the

person making a claim under this section and any person who is the said person, a spouse, partner, brother, sister, parent or child of such person or a child of any spouse, partner, parent, brother or sister.".

—Jim Mitchell, Paul McGrath.

53. In page 61, before section 30, but in Chapter 3, to insert the following new section:

"Special savings incentive accounts.

30.—(1) The Principal Act is amended by the insertion after Part 36 of the following:

'PART 36A

Special savings incentive accounts

Interpretation.

848B.—(1) In this Part—

"deposit account" means an account beneficially owned by an individual, which is—

(*a*) an account into which a deposit (within the meaning of section 256(1)) is made, or

(*b*) an account with a relevant European institution into which repayable funds are lodged;

"investment undertaking" has the meaning assigned to it in section 739B and "units in an investment undertaking" shall be construed accordingly;

"PPS Number", in relation to an individual, means that individual's Personal Public Service Number within the meaning of section 223 of the Social Welfare (Consolidation) Act, 1993;

"qualifying assets", subject to section 848G, means—

(*a*) deposit accounts,

(*b*) shares within the meaning of section 2(1) of the Credit Union Act, 1997,

(*c*) units in an investment undertaking,

(*d*) units in, or shares of, a relevant UCITS,

(*e*) relevant life assurance policies,

(*f*) shares issued by a company, wherever incorporated, officially listed on a recognised stock exchange, and

(*g*) securities issued by or on behalf of a government;

"qualifying individual" means an individual who at the time of opening a special savings incentive account—

(*a*) is 18 years of age, or older, and

(*b*) is resident in the State;

"qualifying savings manager" means—

(*a*) a person who is a holder of a licence granted under section 9 of the Central Bank Act, 1971, or a person who holds a licence or other similar authorisation under the law of any other Member State of the European Communities which corresponds to a licence granted under that section,

(*b*) a building society within the meaning of section 256,

(*c*) a trustee savings bank within the meaning of the Trustee Savings Banks Act, 1989,

(*d*) ACC Bank plc,

(*e*) the Post Office Savings Bank,

(*f*) a credit union within the meaning of the Credit Union Act, 1997,

(*g*) an investment undertaking,

(*h*) the holder of—

(i) an authorisation issued by the Minister for Enterprise, Trade and Employment under the European Communities (Life Assurance) Regulations of 1984 (S.I. No. 57 of 1984), as amended, or,

(ii) an authorisation granted by the authority charged by law with the duty of supervising the activities of insurance undertakings in a Member State of the European Communities, other than the State, in accordance with Article 6 of Directive No. 79/267/EEC[1], who is carrying on the business of life assurance in the State, or

(iii) an official authorisation to undertake insurance in Iceland, Liechtenstein and Norway pursuant to the EEA Agreement within the meaning of the European Communities (Amendment) Act, 1993, and who is carrying on the business of life assurance in the State,

(*i*) a person which is an authorised member firm of the Irish Stock Exchange, within the meaning of the Stock Exchange Act, 1995, or a member firm (which carries on a trade in the State through a branch or agency) of a stock exchange of any other Member State of the European Communities, or

(*j*) a firm approved under section 10 of the Investment Intermediaries Act, 1995, which is authorised to hold client money, other than a firm authorised as a Restricted Activity Investment Product Intermediary, where the firm's authorisation permits it to engage in the proposed activities, or a business firm which has been authorised to provide similar investment business services under the laws of a Member State of the European Communities which correspond to that Act;

"relevant European institution" means an institution which is a credit institution (within the meaning of the European Communities (Licensing and Supervision of Credit Institutions) Regulations, 1992 (S.I. No. 395 of 1992)) which has been authorised by the Central Bank of Ireland to carry on business of a credit institution in accordance with the provisions of the supervisory enactments (within the meaning of those Regulations);

"relevant UCITS" means a UCITS situated in a Member State of the European Communities, other than the State, which has been authorised by the competent authorities of the Member State in which it is situated;

"relevant life assurance policy", means a policy of assurance which satisfies the conditions specified in subsection (3);

"special savings incentive account" has the meaning assigned to it in section 848C;

"tax credit", in relation to a subscription, has the meaning assigned to it in section 848D(1);

"UCITS" means undertakings for collective investment in transferable securities within the meaning of Article 1 of Council Directive 85/611[2] and references to—

(*a*) "the Member State in which UCITS is situated"

and

(*b*) a UCITS which has been "authorised by the competent authorities of the Member State in which it is situated",

shall have the same meanings as in Articles 3 and 4 respectively of that Directive;

"units in, or shares of, a relevant UCITS" means the rights or interests (however described) of the holder of units or shares in that relevant UCITS.

(2) Nothing in this Part shall be construed as authorising or permitting a person who is a qualifying savings manager to provide any services which that person would not otherwise be authorised or permitted to provide in the State.

(3) The conditions referred to in the definition of "relevant life assurance policy" in subsection (1) are that the policy of assurance is on the life of a person who beneficially owns the policy, and that the terms and conditions of the policy provide—

(*a*) for an express prohibition of any transfer of the policy, or the rights conferred by the policy or any share or interest in the policy or rights respectively, other than the cash proceeds from the termination of the policy or a partial surrender of the rights conferred by the policy, to that person,

(*b*) the policy, the rights conferred by the policy and any share or interest in the policy or rights respectively, shall not be capable of assignment, other than that they may be vested in that person's personal representatives and that the title to the policy may be transferred from a qualifying savings manager to another qualifying savings manager in accordance with the provisions of this Part, and

(*c*) the policy is not issued in the course of annuity business or pension business, within the meaning of section 706.

Special savings incentive account.

848C.—A special savings incentive account is a scheme of investment commenced on or after 1 May 2001 and on or before 30 April 2002 by a qualifying individual with a qualifying savings manager (who is registered in accordance with section 848R) under terms which include the following—

(*a*) apart from tax credits, in relation to subscriptions, subscribed by the qualifying savings manager under section 848E(1)(*b*)(ii) only the qualifying individual, or the spouse of that individual, may subscribe to the account,

(*b*) such subscriptions are funded by the qualifying individual, or the spouse of that individual, from funds available to either or both of them without recourse to borrowing, or the deferral of repayment (whether in respect of capital or interest) of sums already borrowed,

(*c*) subject to paragraph (*d*), such subscriptions, ignoring any amounts withdrawn from the account by the qualifying individual—

(i) in the month the account is commenced and in each of the 11 months immediately after that month, are of an amount agreed between the qualifying individual and the qualifying savings manager when the account is commenced, which amount shall not be less than £10, and

(ii) in any one month, do not exceed £200,

(*d*) such subscriptions can not be made in the month which is the month in which the fifth anniversary of the day of commencing the account falls, or thereafter,

(*e*) such subscriptions and tax credits, in relation to such subscriptions, are to be used, and used only, by the qualifying savings manager to acquire qualifying assets which—

(i) are held in the account and managed by the qualifying savings manager, and

(ii) are beneficially owned by the qualifying individual,

(*f*) all or any of the qualifying assets can not be assigned or otherwise pledged, as security for a loan,

(*g*) on commencing the account, the qualifying individual makes a declaration of a kind referred to in section 848F,

(*h*) for the account to be treated as maturing (otherwise in respect of the death of the qualifying individual) in accordance with section 848H(1), the qualifying individual shall make a declaration of a kind referred to in section 848I within 30 days after the fifth anniversary of the commencement of the account,

(*i*) that at the request of the qualifying individual, and within such time as shall be agreed, the account, with all rights and obligations of the parties thereto may be transferred to another qualifying savings manager in accordance with the provisions of this Part, and

(*j*) that the qualifying savings manager will notify the qualifying individual if he or she ceases to be a qualifying savings manager, or ceases to be registered in accordance with section 848R.

Tax credits.

848D.—Where a qualifying individual, or the spouse of that individual, subscribes to a special savings incentive account—

(*a*) the qualifying individual shall be treated, for the purposes of the Tax Acts, as having paid a grossed up amount, which amount, after deducting income tax at the standard rate for the year of assessment 2001, leaves the amount of the subscription, and

(*b*) the qualifying individual shall be entitled to be credited with the amount of income tax (in this Part referred to as the "tax credit", in relation to the subscription) treated as having been so deducted, in accordance with the provisions of this Part and not under any other provision of the Tax Acts.

Payment of tax credit.

848E.—(1) Where a qualifying individual subscribes to a special savings incentive account, and the qualifying savings manager of that account complies with the provisions of section 848P in relation to that subscription—

(*a*) the Revenue Commissioners shall, subject to that section, pay to the qualifying savings manager the tax credit in relation to that subscription, and

(*b*) that tax credit shall—

(i) be beneficially owned by the qualifying individual, and

(ii) on receipt, be immediately subscribed by the qualifying savings manager to the special savings incentive account.

(2) Subject to this Part, exemption from income tax and capital gains tax shall be allowed in respect of the income and chargeable gains arising in respect of qualifying assets held in a special savings incentive account.

(3) A deposit (within the meaning of section 256(1)) made to a deposit account which is a qualifying asset, shall not be a relevant deposit (within the meaning of that section) for the purposes of Chapter 4 of Part 8.

(4) Notwithstanding subsection (2), where in a year of assessment an individual commences a special savings incentive account, the individual is obliged to include in a return, required to be delivered by the individual under section 951, or as the case may be, section 879, in respect of that year of assessment, a statement to the effect that the individual has commenced such an account.

Declaration on commencement.

848F.—The declaration referred to in section 848C(*g*) is a declaration in writing made by the qualifying individual to the qualifying savings manager which—

(*a*) is made and signed by the qualifying individual,

(*b*) is made in such form—

(i) as may be prescribed or authorised by the Revenue Commissioners, and

(ii) which contains a reference to the offence of making a false declaration under section 848T,

(*c*) contains the qualifying individual's—

(i) full name,

(ii) address of his or her permanent residence,

(iii) PPS Number, and

(iv) date of birth, and

(*d*) declares at the time the declaration is made, that the qualifying individual—

(i) is resident in the State,

(ii) has not commenced another special savings incentive account, and

(iii) is the person who will beneficially own the qualifying assets to be held in the account.

Acquisition of qualifying assets.

848G.—(1) Qualifying assets held in a special savings incentive account, managed by a qualifying savings manager and beneficially owned by a qualifying individual may not at any time—

(*a*) be purchased (or otherwise acquired) by the qualifying savings manager, otherwise than—

(i) out of money which the qualifying savings manager holds in the account, and

(ii) by way of a bargain made at arm's length,

(*b*) be purchased from the qualifying individual or any person connected with that individual (within the meaning of section 10), or

(*c*) be connected with any other asset or liability of the qualifying individual or any other person connected with that individual (within the meaning of section 10) and for this purpose a qualifying asset is connected with another asset or a liability if the terms under which either asset or the liability is acquired and held would be different if the qualifying asset, the other asset or the liability, had not been acquired and held.

(2) Shares fulfil the condition as to official listing in paragraph (*f*) of the definition of "qualifying assets" in section 848B(1) if in pursuance of a public offer, a qualifying savings manager applies for the allotment or allocation to him or her of shares in a company which are due to be admitted to such listing within 30 days of the allocation or allotment, and which, when admitted to such a listing, would be qualifying assets.

Termination of special savings incentive account.

848H.—(1) A special savings incentive account is treated as maturing—

(*a*) 30 days after the fifth anniversary of the day of the commencement of the account where the qualifying individual has made a declaration of a kind referred to in section 848I, or,

(*b*) on the day of the death of the qualifying individual,

whichever event first occurs.

(2) A special savings incentive account is treated as ceasing, where at any time before the account is treated as maturing—

(*a*) any of the terms referred to in section 848C are not complied with, or

(*b*) the qualifying individual is neither resident nor ordinarily resident in the State.

(3) Where a special savings incentive account is treated as maturing or ceasing—

(*a*) the account thereafter shall not be a special savings incentive account for the purposes of section 848E, and

(*b*) the assets remaining in the account after having regard to all liabilities to tax on gains treated as accruing to the account under this Part shall—

(i) where the assets are shares, securities, or units in, or shares of, a relevant UCITS, be treated for the purposes of the Capital Gains Tax Acts, as having been acquired by the qualifying individual at their then market value,

(ii) where the asset is a relevant life assurance policy, be treated as if it were a policy commenced at that time and in respect of which premiums in an amount equal to the market value of the policy at that time had been paid at that time, for the purposes of Chapter 5 of Part 26, and

(iii) where the asset is units in an investment undertaking, be treated as if the units had been acquired at that time, for their market value at that time, for the purposes of Chapter IA of Part 27.

Declaration on maturity.

848I.—The declaration referred to in section 848C(*h*) is a declaration in writing made by the qualifying individual to the qualifying savings manager which—

(*a*) is made and signed by the qualifying individual,

(*b*) is made in such form—

(i) as may be prescribed or authorised by the Revenue Commissioners, and

(ii) which contains a reference to the offence of making a false declaration under section 848T,

(*c*) contains the qualifying individual's—

(i) full name,

(ii) address of his or her permanent residence,

(iii) PPS Number, and

(iv) date of birth,

(*d*) declares that at no time in the period from which the account was commenced until the date the declaration is made, the qualifying individual—

(i) ceased to be the beneficial owner of the qualifying assets held in the account,

(ii) commenced another special savings incentive account, or

(iii) was neither resident nor ordinarily resident in the State.

Gain on maturity.

848J.—(1) On the day on which a special savings incentive account is treated as maturing, a gain shall be treated as accruing on the account in an amount determined under subsection (2).

(2) The amount of the gain referred to in subsection (1) is an amount equal to the aggregate market value of all assets (including cash) held in the account on the day the account is treated as maturing, less the sum of all subscriptions (including subscriptions made by the

qualifying savings manager under section 848E(1)(*b*)(ii)), made to the account on or before that day to the extent that they have not previously been treated, in accordance with subsection (3), as having been withdrawn from the account.

(3) For the purposes of subsection (2) where there is a withdrawal from an account, the amount withdrawn (before being reduced by any tax liability arising under this Part in respect of any gain treated as accruing to the account as a result of the withdrawal) shall be treated as a withdrawal of subscriptions to the extent that the amount withdrawn does not exceed the total amount of subscriptions (including subscriptions made by the qualifying savings manager in accordance with section 848E(1)(*b*)(ii)) made to the account since commencement, reduced by the amount of such subscriptions previously treated as subscriptions withdrawn from the account under this subsection.

(4) For the purposes of subsection (3) where there is a withdrawal of assets (other than cash) from an account the amount withdrawn shall be the amount which is the market value of those assets at the time of their withdrawal.

Gain on cessation.

848K.—(1) On the day on which a special savings incentive account is treated as ceasing, a gain shall be treated as accruing on the account in an amount determined under subsection (2).

(2) The amount of the gain referred to in subsection (1) is an amount equal to the aggregate market value of all assets (including cash) held in the account on the day the account is treated as ceasing.

Gain on withdrawal.

848L.— (1) Where before a special savings incentive account is treated as maturing or ceasing (as the case may be) a qualifying individual withdraws cash or other assets from the account, a gain shall be treated as accruing on the account in an amount determined under subsection (2).

(2) The amount of the gain referred to in subsection (1) is—

(*a*) where the withdrawal is in cash, the amount of that cash, and

(*b*) where the withdrawal is of assets (other than cash) an amount equal to the market value of such assets on the day of withdrawal.

Taxation of gains.

848M.—(1) A qualifying savings manager shall be liable to tax (in this Part referred to as "relevant tax") on a gain treated under this Part as accruing to a special savings incentive account in an amount equal to 23 per cent of the amount of that gain.

(2) A qualifying savings manager who becomes liable under subsection (1) to an amount of relevant tax shall be entitled to withdraw sufficient funds from the account to which the gain is treated as accruing to satisfy that liability and the qualifying individual shall allow such withdrawal; but where there are no funds or insufficient funds available in the account out of which the qualifying savings manager may satisfy, or fully satisfy, such liability, the amount of relevant tax for which there are insufficient funds so available shall be a debt due to the qualifying savings manager from the qualifying individual.

(3) Subject to section 848P, the relevant tax in respect of a gain which in accordance with that section, is required to be included in a return, shall be due at the time by which the return is to be made and shall be paid by the qualifying fund manager without the making of an assessment; but relevant tax which has become so due may be assessed on the qualifying savings manager (whether or not it has been paid when the assessment is made) if that tax or any part of it is not paid on or before the due date.

(4) Where it appears to the inspector that there is any amount of relevant tax which ought to have been, but has not been, included in a return, or where the inspector is dissatisfied with any return, the inspector may make an assessment on the qualifying savings manager to the best of his or their judgment, and any amount of relevant tax due under an assessment made by virtue of this subsection shall be treated for the purposes of interest on unpaid tax as having been payable at the time when it would have been payable if a correct return had been made.

(5)(*a*) Any relevant tax assessed on a qualifying savings manager under this Chapter shall be due within one month after the issue of the

notice of assessment (unless that tax is due earlier under subsection (3)) subject to any appeal against the assessment, but no such appeal shall affect the date when any amount is due under subsection (3).

(*b*) On the determination of an appeal against an assessment under this section any relevant tax overpaid shall be repaid.

(6)(*a*) The provisions of the Income Tax Acts relating to—

(i) assessments to income tax,

(ii) appeals against such assessments (including the rehearing of appeals and the statement of a case for the opinion of the High Court), and

(iii) the collection and recovery of income tax,

shall, in so far as they are applicable, apply to the assessment, collection and recovery of relevant tax.

(*b*) Any amount of relevant tax payable in accordance with this Part without the making of an assessment shall carry interest at the rate of 1 per cent for each month or part of a month from the date when the amount becomes due and payable.

(*c*) Subsections (2) to (4) of section 1080 shall apply in relation to interest payable under paragraph (*b*) as they apply in relation to interest payable under section 1080.

(*d*) In its application to any relevant tax charged by any assessment made in accordance with this section, section 1080 shall apply as if subsection (1)(*b*) of that section were deleted.

Transfer of special savings incentive account.

848N.—(1) Where arrangements are made by a qualifying individual to transfer his or her special savings incentive account from one qualifying savings manager (in this section referred to as the "transferor") to another qualifying savings manager (in this section referred to as the "transferee") or the

account is transferred in consequence of the transferor ceasing to act or to be a qualifying savings manager, the following provisions of this section shall apply.

(2) Where a transfer takes place under subsection (1)—

(*a*) all subscriptions to the special savings incentive account in so far as they have not been applied to acquire qualifying assets, and all qualifying assets in the account, must be made to a single transferee,

(*b*) the qualifying individual shall make a declaration of a kind referred to in section 848O to the transferee, and

(*c*) the transferee shall thereafter for the purposes of this Part be the qualifying savings manager of the special savings incentive account transferred.

(3) The transferor shall within 30 days after the date of transfer—

(*a*) give to the transferee a notice containing the information specified in subsection (4) and the declaration specified in subsection (5), and

(*b*) pay to the transferee the aggregate of the amounts referred to in subsection (4)(*b*)(vi).

(4) The information referred to in subsection (3) is—

(*a*) as regards the qualifying individual his or her—

(i) full name,

(ii) address of permanent residence,

(iii) date of birth,

(iv) PPS Number, and

(*b*) as respects the special savings incentive account transferred pursuant to this section—

(i) the date of transfer,

(ii) the date the account was commenced,

(iii) the identification of the assets held in the account,

(iv) the total of all subscriptions made to the account by the qualifying individual, or the spouse of that individual,

(v) the total of all tax credits, in relation to subscriptions, subscribed to the account,

(vi) the amount of any dividends, and other amounts payable in respect of qualifying assets held in the account and amounts of tax credits, which have not been received by the transferor at the date of transfer.

(5) The declaration referred to in subsection (3) is a declaration in writing made and signed by the transferor to the effect that—

(*a*) the transferor has fulfilled all obligations under this Part,

(*b*) the transferor has transferred to the transferee all money and qualifying assets held in the account and that where registration of any such transfer is required, the transferor has taken the necessary steps to ensure that those qualifying assets can be registered in the name of the transferee, and

(*c*) that the information contained in the notice referred to in subsection (3) is correct.

(6) Notwithstanding section 848C, where a special savings incentive account is being transferred in accordance with this section it shall not be treated as ceasing should, during the period of the transfer, the qualifying assets held in the account, temporarily cease to be managed by a qualifying savings manager, or a qualifying savings manager who is registered in accordance with section 848R.

Declaration on transfer.

848O.—The declaration referred to in section 848N(2)(*b*) is a declaration in writing made by the qualifying individual to the qualifying savings manager who is the transferee referred to in that

section, which—

(*a*) is made and signed by the qualifying individual,

(*b*) is made in such form—

(i) as may be prescribed or authorised by the Revenue Commissioners, and

(ii) which contains a reference to the offence of making a false declaration under section 848T,

(*c*) contains the qualifying individual's—

(i) full name,

(ii) address of his or her permanent residence,

(iii) PPS Number, and

(iv) date of birth, and

(*d*) declares—

(i) at the time the declaration is made, that the qualifying individual—

(I) has not commenced another special savings incentive account, and

(II) is the person who beneficially owns the qualifying assets held in the account being transferred,

and

(ii) at the time the special savings incentive account was commenced, the qualifying individual was resident in the State.

Monthly returns.

848P.— A qualifying savings manager who is or was registered in accordance with section 848R, shall, within 15 days of the end of every month, make a return (including, where it is the case, a nil return) to the Revenue Commissioners, which—

(*a*) specifies in respect of all special savings incentive accounts managed by the qualifying savings manager in that month—

(i) the aggregate amount of tax credits, in relation to the aggregate of subscriptions made to those accounts in that month,

(ii) the aggregate amount of relevant tax to which the qualifying savings manager is liable in respect of gains treated as accruing on those accounts in that month, and

(iii) the net amount (being the difference between the amounts specified in paragraphs (*a*) and (*b*)) due from or, as the case may be, to, the Revenue Commissioners, and

(*b*) contains a declaration in a form prescribed or authorised by the Revenue Commissioners that the information referred to in paragraph (*a*) is correct.

Annual returns.

848Q.—A qualifying savings manager who is or was registered in accordance with section 848R shall in respect of each year of assessment, on or before 28 February in the year following the year of assessment, make a return (including, where it is the case, a nil return), to the Revenue Commissioners which in respect of the year of assessment—

(*a*) specifies in respect of each special incentive savings account managed by the qualifying savings manager—

(i) the full name of the qualifying individual,

(ii) the address of that individual's permanent residence,

(iii) the PPS Number of the individual,

(iv) the date the account was commenced,

(v) the total amount of subscriptions made by the qualifying individual, or the spouse of that individual, to the account ,

(vi) the total amount of tax credits, in respect of subscriptions, subscribed to the account, and

(vii) in respect of each gain accruing on the account—

(I) the amount of relevant tax to which the qualifying savings manager has thereby become liable, and

(II) whether the gain accrued under section 848J, 848K or 848L,

and

(*b*) containing a declaration in a form prescribed by the Revenue Commissioners—

(i) that to the best of the qualifying savings manager's knowledge and belief, that in respect of each special savings incentive account referred to in the return, the terms referred to in section 848C have been and are being complied with, and

(ii) the information referred to in paragraph (*a*) and the declaration referred to in subparagraph (*b*) is correct.

Registration etc.

848R.—(1) A person can not be a qualifying savings manager unless the person is included in a register maintained by the Revenue Commissioners of persons registered in accordance with subsection (5).

(2) Where at any time a qualifying savings manager does not have a branch or business establishment in the State, or has such a branch or business establishment but does not intend to carry out all the functions as a qualifying savings manager at that branch or business establishment, the qualifying savings manager shall not be registered in accordance with subsection (5) unless the qualifying savings manager appoints for the time being a person, who—

(*a*) where an individual, is resident in the State, and

(*b*) where not an individual, has a business establishment in the State,

to be responsible for securing the discharge of the obligations which fall to be discharged by the qualifying savings manager under this Part, and advises the Revenue Commissioners of the identity of that person and the fact of that person's appointment.

(3) Where a person has been appointed in accordance with subsection (2), and subject to subsection (4) that person shall—

(*a*) be entitled to act on the qualifying savings manager's behalf for any of the purposes of the provisions of this Part,

(*b*) shall secure (where appropriate by acting on the qualifying savings manager's behalf) the qualifying savings manager's compliance with and discharge of the obligations under this Part, and

(*c*) shall be personally liable in respect of any failure of the qualifying savings manager to comply with or discharge any such obligations as if the obligations imposed on the qualifying savings manager were imposed jointly and severally on the qualifying savings manager and the person concerned.

(4) The appointment of a person in accordance with subsection (2) shall be treated as terminated in circumstances where—

(*a*) the Revenue Commissioners have reason to believe that the person concerned—

(i) has failed to secure the discharge of any of the obligations imposed on a qualifying savings manager under this Part, or

(ii) does not have adequate resources to discharge those obligations, and

(*b*) the Revenue Commissioners have notified the qualifying savings manager and that person that they propose to treat the appointment of that person as having terminated with effect from

the date of the notice.

(5) If the Revenue Commissioners are satisfied that an applicant for registration is entitled to be registered, they shall register the applicant with effect from such date as may be specified by them.

(6) If it appears to the Revenue Commissioners at any time that a qualifying savings manager who is registered under this section—

(*a*) would not be entitled to be registered if it applied for registration at that time, or

(*b*) has not complied with the provisions of this Part,

the Revenue Commissioners may, by written notice given to the qualifying savings manager, cancel its registration with effect from such date as may be specified in the notice.

(7) Any qualifying savings manager who is aggrieved by the failure of the Revenue Commissioners to register it or by the cancellation of its registration, may, by notice given to the Revenue Commissioners before the end of the period of 30 days beginning with the date on which the qualifying savings manager was notified of the Revenue Commissioners decision, require the matter to be determined by the Appeal Commissioners and the Appeal Commissioners shall hear and determine the matter in like manner as an appeal.

(8) A qualifying savings manager shall give notice to the Revenue Commissioners and the qualifying individuals whose special savings incentive accounts he or she manages of his or her intention to cease to act as the qualifying savings manager not less than 30 days before he or she so ceases so that his or her obligations to the Revenue Commissioners can be conveniently discharged at or about the time he or she ceases to so act, and the notice to the qualifying individuals shall inform them of their right to transfer their special savings incentive accounts under section 848N.

(9) Subject to subsection (10), every return to be

made by a qualifying savings manager under section 848P and 848Q shall be made in electronic format approved by the Revenue Commissioners and shall be accompanied by a declaration made by the qualifying savings manager, in a form prescribed or authorised for that purpose by the Revenue Commissioners, to the effect that the return is correct.

(10) Where the Revenue Commissioners are satisfied that a qualifying savings manager does not have the facilities to make a return under sections 848P or 848Q in the format referred to in subsection (9), such returns shall be made in writing in a form prescribed or authorised by the Revenue Commissioners, and shall be accompanied by a declaration made by the qualifying savings manager, on a form prescribed or authorised for that purpose by the Revenue Commissioners, to the effect that the return is correct.

(11) A qualifying savings manager shall retain—

(*a*) in respect of each special savings incentive account which is treated as maturing, the declarations of a kind referred to in sections 848F, 848I, and 848O for a period of 3 years after the date on which the account was treated as maturing, and

(*b*) in respect of each special savings incentive account which is treated as ceasing, the declarations of a kind referred to in sections 848F and 848O for a period of 3 years after the date on which the account was treated as ceasing,

and on being so required by notice given to him or her in writing by an inspector, make available for inspection all or any such declarations.

Regulations.

848S.—(1) The Revenue Commissioners shall make regulations providing generally as to the administration of this Part and those regulations may, in particular and without prejudice to the generality of the foregoing include provisions—

(*a*) as to the manner in which a qualifying savings manager is to register under section 848R,

(*b*) as to the manner in which a return is to be made under section 848P,

(*c*) as to the manner in which a return is to be made under section 848Q,

(*d*) as to the manner in which tax credits are to be paid under section 848E(1), or the net amount referred to in section 848P(*a*)(iii), and

(*e*) as to the circumstances in which the Revenue Commissioners may require a qualifying savings manager to give a bond or guarantee to the Revenue Commissioners which is sufficient to indemnify the Commissioners against any loss arising by virtue of the fraud or negligence of the qualifying savings manager in relation to the operation of the provisions of this Part.

(2) Every regulation made under this section shall be laid before Dáil Éireann as soon as may be after it is made and, if a resolution annulling the regulation is passed by Dáil Éireann within the next 21 days on which Dáil Éireann has sat after the regulation is laid before it, the regulation shall be annulled accordingly but without prejudice to the validity of anything previously done thereunder.

Offences.

848T.—(1) A person who makes a declaration under section 848F, section 848I, section 848O or section 848N(5) which is false, shall be guilty of an offence and shall be liable on summary conviction to a fine of £1,500, or, at the discretion of the court, to imprisonment for a term not exceeding 6 months or to both the fine and the imprisonment.'.

(2)(*a*) The Principal Act is amended in Part 36A (inserted by subsection (1))—

(i) in section 848C(*b*)(i) by the substitution of "€13" for "£10",

(ii) in section 848C(*b*)(ii) by the substitution of "€254" for "£200", and

(iii) in section 848T by the substitution of "€1,900" for "£1,500".

(*b*) This subsection shall apply as on and from 1 January 2002.".

—An tAire Airgeadais.

[1]O.J. No. L63 of 13 March, 1979, p.1

[2]O.J. No. L375 of 31 December, 1985, p.3

SECTION 33

54. In page 64, subsection (2), line 34, to delete "the".

—An tAire Airgeadais.

SECTION 38

55. In page 76, line 39, before "the" to insert "be".

—An tAire Airgeadais.

SECTION 39

56. In page 77, to delete lines 1 to 13, and substitute the following:

"(i) by the insertion of the following definitions after the definition of 'approved body of persons' (inserted by the Finance Act, 2000):

'"approved minimum retirement fund" has the same meaning as in section 784C;

"approved retirement fund" has the same meaning as in section 784A;',

(ii) by the insertion of the following definition after the definition of 'qualifying employee share ownership trust':

'"qualifying fund manager" has the same meaning as in section 784A;',

(iii) by the insertion of the following definition after the definition of 'qualifying non-resident person':

'"qualifying savings manager" has the same meaning as in section 848B (inserted by the *Finance Act, 2001*);',

and

(iv) by the insertion of the following definition after the definition of 'special portfolio investment account':

'"special savings incentive account" has the same meaning as in section 848M (inserted by the *Finance Act, 2001*);'.".

—An tAire Airgeadais.

57. In page 77, to delete lines 28 to 39, and substitute the following:

" '(*ba*) a qualifying fund manager or a qualifying savings manager who—

(i) is receiving the relevant distribution as income arising in respect of assets held—

(I) in the case of a qualifying fund manager, in an approved retirement fund or an approved minimum retirement fund, and

(II) in the case of a qualifying savings manager, in a special savings incentive account, and

(ii) has made a declaration to the relevant person in relation to the relevant distribution in accordance with paragraph 4A of Schedule 2A,',".

—An tAire Airgeadais.

58. In page 78, to delete lines 16 to 20, and substitute the following:

" '(*c*) a qualifying fund manager or a qualifying savings manager who receives a relevant distribution as income arising in respect of assets held—

(i) in the case of a qualifying fund manager, in an approved retirement fund or an approved minimum retirement fund, and

(ii) in the case of a qualifying savings manager, in a special savings incentive account, and".

—An tAire Airgeadais.

59. In page 78, to delete lines 33 to 45, and in page 79, to delete lines 1 to 19, and substitute the following:

"'*Declaration to be made by qualifying fund manager or qualifying savings manager*

4A. The declaration referred to in section 17C(2)(*ba*)(ii) shall be a declaration in writing to the relevant person which—

(*a*) is made by the person (in this paragraph referred to as the "declarer") beneficially entitled to the relevant distribution in respect of which the declaration is made,

(*b*) is signed by the declarer,

(*c*) is made in such form as may be prescribed or authorised by the Revenue Commissioners,

(*d*) declares that, at the time the declaration is made, the person beneficially entitled to the relevant distribution is a person referred to in section 172C(2)(*ba*)(i),

(*e*) contains the name and tax reference number of the person,

(*f*) contains a statement that, at the time when the declaration is made, the relevant distribution in respect of which the declaration is made will be applied as income of an approved retirement fund, an approved minimum retirement fund or, as the case may be, a special savings incentive account,

(*g*) contains an undertaking that, if the person mentioned in paragraph (*d*) ceases to be an excluded person, the declarer will, by notice in writing, advise the relevant person in relation to the relevant distribution accordingly, and

(*h*) contains such other information as the Revenue Commissioners may reasonably require for the purposes of Chapter 8A of Part 6.',".

—An tAire Airgeadais.

SECTION 46

60. In page 90, to delete lines 48 and 49 and in page 91 to delete lines 1 to 4 and substitute the following:

" 'qualifying expenditure' means—

(*a*) capital expenditure incurred on the acquisition of a licence on or before 21 November 2000 and for the purposes of this section, where capital expenditure is so incurred it shall be deemed to have been incurred on 21 November 1997 or, if later, on the day on which the trade commenced, or

(*b*) where a licence formed part of an inheritance taken by an individual on or before 21 November 2000 and inheritance tax or probate tax was paid in relation to that licence, an amount equal to the open market value of the licence used for the purpose of inheritance tax or probate tax if that amount is greater than the amount of the capital expenditure incurred on the acquisition of the licence and, where this paragraph applies, the first-mentioned amount shall be deemed to have been capital expenditure incurred on the acquisition of a licence on 21 November 1997 or, if later, on the date on which the trade commenced;".

—An tAire Airgeadais.

61. In page 91, between lines 41 and 42, to insert the following:

"(3) Where an individual who is not, apart from this subsection, entitled to allowances under this Chapter by virtue of this section, becomes the beneficial owner of a licence on the death of his or her spouse, and that spouse—

(*a*) had incurred qualifying expenditure in respect of the licence, and

(*b*) had carried on a qualifying trade,

then, for the purposes of this section, if the individual lets the vehicle to which the licence relates, for use for the purposes of a qualifying trade carried on by another person—

SECTION 46—*continued.*

(i) the individual shall be deemed to have incurred the qualifying expenditure in respect of the licence,

(ii) that licence shall be treated as machinery or plant, and

(iii) the letting of that vehicle by the individual shall be deemed to be a qualifying trade carried on by the individual which commenced on the date of the first letting of that vehicle,

but this subsection shall apply in relation to an individual as respects one licence only.".

—An tAire Airgeadais.

SECTION 48

62. In page 93, before section 48, to insert the following new section:

"Amendment of section 274 (balancing allowances and balancing charges) of Principal Act.

48.—Section 274(3) of the Principal Act is amended by the substitution for 'or that consideration.' of the following:

'or that consideration; but this subsection shall not apply in the case of consideration of the type referred to in subsection (1)(*a*)(iv) which is received on or after 5 March 2001.'.".

—An tAire Airgeadais.

63. In page 93, line 11, to delete "20" and substitute "0".

—Jim Mitchell, Paul McGrath.

64. In page 93, line 42, to delete "20" and substitute "0".

—Jim Mitchell, Paul McGrath.

SECTION 50

65. In page 95, line 36, to delete "20" and substitute "0".

—Jim Mitchell, Paul McGrath.

66. In page 104, to delete lines 10 and 11, and substitute the following:

"(v) in section 264A(1) (inserted by subparagraph (iv)), as respects the year of assessment 2002 and subsequent years of assessment, by the substitution—

(I) in paragraph (*l*) of '€635' for '£500', and

(II) in paragraph (*n*) of '€7,620' for '£6,000',

(vi) by the insertion after Chapter 4 of the following:".

—An tAire Airgeadais.

SECTION 50—*continued.*

67. In page 105, to delete lines 35 to 45, and substitute the following:

"Election to open a special share account or a special term share account.

267B.—(1) A person, who is a member or is about to become a member of a credit union, may either or both—

(*a*) make an election in writing to the credit union to open an account which is a special share account, and

(*b*) where the person is an individual, make an election in writing to the credit union to open either a medium term share account or a long term share account.".

—An tAire Airgeadais.

68. In page 114, to delete lines 25 to 29, and substitute the following:

"(vii) in section 267C (inserted by *subparagraph (vi)**), as respects the year of assessment 2002 and subsequent years of assessment, by the substitution—

(I) in subsection (1) of '€480' for '£278', and

(II) in subsections (2) and (4) of '€635' for '£370',

and

(viii) in section 267D(1) (inserted by *subparagraph (vi)**), as respects the year of assessment 2002 and subsequent years of assessment, by the substitution—

(I) in paragraph (l) of '€635' for '£500', and

(II) in paragraph (n) of '€7,620' for '£6,000'.".

—An tAire Airgeadais.

*[*This is the correct reference if amendment no. 66 is accepted.*]

SECTION 51

69. In page 115, before section 51, to insert the following new section:

"Amendment of Chapter 9 (park and ride facilities and certain related developments) of Part 10 of Principal Act.

51.—Chapter 9 (inserted by the Finance Act, 1999) of Part 10 of the Principal Act is amended —

(*a*) in section 372V—

(i) by the substitution in subsection (1)(*a*) of 'subsections (2) to (4A)' for 'subsections (2) to (4)',

(ii) in subsection (4)—

(I) by the insertion in paragraph (*a*) after 'was first used' of 'or, where subsection (4A) applies, first used as a qualifying park and ride facility,' and

(II) by the substitution in paragraph (*b*) of 'qualifying park and ride facility' for 'park and ride facility',

and

(iii) by the insertion of the following after subsection (4):

'(4A) Notwithstanding subsections (1), (3)(*a*) and (4), where it is shown in respect of a building or structure which is to be a qualifying park and ride facility that the relevant local authority is unable to give the certificate in writing referred to in the definition of "qualifying park and ride facility" in section 372U(1) due to a delay in the provision of a train service to serve the building or structure, then, in relation to capital expenditure incurred in the qualifying period on the construction or refurbishment of that building or structure—

(*a*) section 271 shall apply—

(i) as if in the definition of 'appropriate chargeable period' in subsection (1) of that section 'the chargeable period in which the building or structure becomes an industrial building or structure' were substituted for 'the chargeable period related to the expenditure', and

(ii) as if in subsection (6) of that section 'if, within 5 years of the building or structure coming to be used, it is not an industrial building or structure' were substituted for 'if the building or structure, when it comes to be used, is not an industrial building or structure',

(*b*) section 272 shall apply as if in subsection (4)(*a*)(ii) of that section 'beginning with the time when the building or structure was first used as an industrial building or structure' were substituted for 'beginning with the time when the building or structure was first used',

(*c*) section 274 shall apply—

(i) as if in subsection (1)(*b*)(i)(II) of that section 'after the building or structure was first used as an industrial building or structure' were substituted for 'after the building or structure was first used', and

(ii) as if in subsection (5)(*a*) of that section 'when the building or structure was first used as an industrial building or structure' were substituted for 'when the building or structure was first used for any purpose',

(*d*) section 277 shall apply—

(i) as if in subsection (2) of that section 'when the building or structure is first used as an industrial building or structure' were substituted for 'when the building or structure is first used', and

(ii) as if in subsection (4)(*a*) of that section 'when the building or structure was first used as an industrial building or structure' were substituted for 'when the building or structure was first used for any purpose',

(*e*) section 278 shall apply as if in subsection (2) of that section 'before the building or structure is first used as an industrial building or structure' were substituted for 'before the building or structure is first used for any purpose', and

(*f*) section 279 shall apply as if in subsections (2) and (3) of that section 'before the building or structure is used as an industrial building or structure or within the period of one year after it commences to be so used' were substituted for 'before the building or structure is used or within the period of one year after it commences to be used' (in each place where it occurs in those subsections).',

and

(*b*) in section 372W—

(i) in subsection (1)—

(I) by the deletion in paragraph (*a*) of 'and' where it last occurs, and

(II) by the substitution of the following for paragraph (*c*):

'(*c*) (i) is in use for the purposes of the retailing of goods or the provision of services only within the State but excluding any building or structure in use—

(I) as offices, or

(II) for the provision of mail order or financial services,

or

(ii) is let on bona fide commercial terms for such use as is referred to in subparagraph (i) and for such consideration as might be expected to be paid in a letting of the building or structure negotiated on an arm's length basis,',

(ii) in subsection (2)(*a*), by the substitution of 'subsections (3) to (5A)' for 'subsections (3) to (5)',

(iii) in subsection (5)(*a*), by the insertion after 'was first used' of 'or, where subsection (5A) applies, first used as a qualifying premises',

and

(iv) by the insertion of the following after subsection (5):

'(5A) Notwithstanding subsections (2)(*a*), (4)(*a*) and (5), where it is shown in respect of a building or structure which is to be a qualifying premises that the relevant local authority is unable to give the certificate in writing referred to in subsection (1)(*a*) relating to compliance with certain requirements at a park and ride facility which would be a qualifying park and ride facility but for the delay referred to in section 372V(4A), then, in relation to capital expenditure incurred in the qualifying period on the construction or refurbishment of the building or structure—

(*a*) section 271 shall apply—

(i) as if in the definition of 'appropriate chargeable period' in subsection (1) of that section 'the chargeable period in which the building or structure becomes an industrial building or structure' were substituted for 'the chargeable period related to the expenditure', and

(ii) as if in subsection (6) of that section 'if, within 5 years of the building or structure coming to be used, it is not an industrial building or structure' were substituted for 'if the building or structure, when it comes to be used, is not an industrial building or structure',

(*b*) section 272 shall apply as if in subsection (4)(*a*)(ii) of that section 'beginning with the time when the building or structure was first used as an industrial building or structure' were substituted for 'beginning with the time when the building or structure was first used',

(*c*) section 274 shall apply—

(i) as if in subsection (1)(*b*)(i)(II) of that section 'after the building or structure was first used as an industrial building or structure' were substituted for 'after the building or structure was first used', and

(ii) as if in subsection (5)(*a*) of that section 'when the building or structure was first used as an industrial building or structure' were substituted for 'when the building or structure was first used for any purpose',

(*d*) section 277 shall apply—

(i) as if in subsection (2) of that section 'when the building or structure is first used as an industrial building or structure' were substituted for 'when the building or structure is first used', and

(ii) as if in subsection (4)(*a*) of that section 'when the building or structure was first used as an industrial building or structure' were substituted for 'when the building or structure was first used for any purpose',

(*e*) section 278 shall apply as if in subsection (2) of that section 'before the building or structure is first used as an industrial building or structure' were substituted for 'before the building or structure is first used for any purpose', and

(*f*) section 279 shall apply as if in subsections (2) and (3) of that section 'before the building or structure is used as an industrial building or structure or within the period of one year after it commences to be so used' were substituted for 'before the building or structure is used or within the period of one year after it commences to be used' (in each place where it occurs in those subsections).'.".

—An tAire Airgeadais.

[*Acceptance of this amendment involves the deletion of section 51 of the Bill.*]

SECTION 52

70. In page 115, subsection (1)(*a*), line 21, to delete "2001" and substitute "2002".

—Jim Mitchell, Paul McGrath.

71. In page 115, subsection (1)(*a*), line 22, to delete "2001" and substitute "2002".

—Jim Mitchell, Paul McGrath.

72. In page 115, subsection (1)(*b*)(iii), line 31, to delete "and".

—An tAire Airgeadais.

73. In page 115, subsection (1)(*b*)(iv), line 34, to delete " '150 square metres'." and substitute " '150 square metres', and".

—An tAire Airgeadais.

74. In page 115, subsection (1)(*b*), between lines 34 and 35, to insert the following:

"(v) in section 372T(1), by the insertion after paragraph (*a*) of the following:

'(*aa*) in respect of expenditure incurred on or after 6 April 2001 on the construction or refurbishment of a building or structure or a qualifying premises where any part of such expenditure has been or is to be met, directly or indirectly, by grant assistance from the State or from any other person,'.".

—An tAire Airgeadais.

75. In page 115, subsection (2)(*b*), lines 38 and 39, to delete "6 April 2001" and substitute "6 December 2000".

—An tAire Airgeadais.

SECTION 53

76. In page 116, line 6, to delete "(1)".

—An tAire Airgeadais.

77. In page 121, to delete line 32.

—An tAire Airgeadais.

78. In page 121, lines 45 and 46, to delete "so used.'." and substitute "so used.',".

—An tAire Airgeadais.

79. In page 121, after line 46, to insert the following:

"and

(*j*) in section 372K(1), by the insertion after paragraph (*a*) of the following:

SECTION 53—*continued.*

'(*aa*) in respect of expenditure incurred on or after 6 April 2001 on the construction or refurbishment of a building or structure or a qualifying premises the site of which is wholly within a qualifying area where any part of such expenditure has been or is to be met, directly or indirectly, by grant assistance from the State or from any other person,'.".

—An tAire Airgeadais.

SECTION 56

80. In page 125, before section 56, to insert the following new section:

"Relief for certain rented accommodation.

56. — The Principal Act is amended by the insertion after Part 11A of the following:

'PART 11B

Income Tax and Corporation Tax: Deduction for Expenditure on Refurbishment of Certain Residential Accommodation

Interpretation (Part 11B).

380G.—In this Part—

"house" includes any building or part of a building used or suitable for use as a dwelling and any outoffice, yard, garden or other land appurtenant to or usually enjoyed with that building or part of a building;

"lease", "lessee", "lessor", "premium" and "rent" have the same meanings, respectively, as in Chapter 8 of Part 4;

"market value", in relation to a house, means the price which the unencumbered fee simple of the house would fetch if sold in the open market in such manner and subject to such conditions as might reasonably be calculated to obtain for the vendor the best price for the house, less the part of that price which would be attributable to the acquisition of, or of rights in or over, the land on which the house is constructed;

"qualifying period" means the period commencing on 6 April 2001;

"refurbishment", in relation to a house, means any work of construction, reconstruction, repair or renewal, including the provision or improvement of water, sewerage or heating facilities, carried out in the course of the repair or restoration, or maintenance in the nature of repair or restoration, of the house or for

the purposes of compliance with the requirements of the Housing (Standards for Rented Houses) Regulations, 1993 (S.I. No. 147 of 1993).

Rented residential accommodation: deduction for certain expenditure on refurbishment.

380H.—(1) In this section and section 380I—

"non-residential unit" has the same meaning that it has in the definition of "relevant expenditure";

"qualifying lease", in relation to a house, means, subject to section 380I(2), a lease of the house the consideration for the grant of which consists—

(*a*) solely of periodic payments all of which are or are to be treated as rent for the purposes of Chapter 8 of Part 4, or

(*b*) of payments of the kind mentioned in paragraph (*a*), together with a payment by means of a premium—

(i) which is payable on or subsequent to the date of the completion of the refurbishment to which the relevant expenditure relates or which, if payable before that date, is so payable by reason of or otherwise in connection with the carrying out of the refurbishment, and

(ii) which does not exceed 10 per cent of the market value of the house on the date of completion of the refurbishment to which the relevant expenditure relates and, in the case of a house which is a part of a building and is not saleable apart from the building of which it is a part, the market value of the house on that date shall for the purposes of this subparagraph be taken to be an amount which bears to the market value of the building on that date the same proportion as the total floor area of the house bears to the total floor area of the building;

"qualifying premises" means, subject to subsection (3), to paragraph (*a*) and (*b*) of subsection (4) and to subsection (5) of section 380I, a house—

(*a*) which is used solely as a dwelling,

(*b*) which on the date of completion of the refurbishment to which the relevant expenditure

relates is let (or, if not let on that date, is, without having been used after that date, first let) in its entirety under a qualifying lease and thereafter throughout the remainder of the relevant period (except for reasonable periods of temporary disuse between the ending of one qualifying lease and the commencement of another such lease) continues to be let under such a lease,

but excluding any house on which expenditure has been incurred, where that expenditure has qualified or would on due claim being made qualify for relief under any provision of Parts 10 or 11A;

"relevant expenditure" means, subject to section 380I(7), expenditure incurred on the refurbishment of a specified building, other than expenditure attributable to any part (in this section referred to as a "non-residential unit") of the building which on completion of the refurbishment is not a house, and for the purposes of this definition where expenditure is attributable to the specified building in general (and not directly to any particular house or non-residential unit comprised in the building on completion of the refurbishment), such an amount of that expenditure shall be deemed to be attributable to a non-residential unit as bears to the whole of that expenditure the same proportion as the total floor area of the non-residential unit bears to the total floor area of the building;

"relevant period", in relation to a qualifying premises, means the period of 10 years beginning on the date of the completion of the refurbishment to which the relevant expenditure relates or, if the premises was not let under a qualifying lease on that date, the period of 10 years beginning on the date of the first such letting after the date of such completion;

"specified building" means a building or part of a building—

(*a*) in which before the refurbishment to which the relevant expenditure relates there is one or more than one house, and

(*b*) which on completion of that refurbishment contains (whether in addition to any non-residential unit or not) one or more than one house.

(2) Subject to subsection (3), where a person, having made a claim in that behalf, proves to have incurred relevant expenditure in relation to a house which is a qualifying premises—

(*a*) such person shall, subject to paragraph (*b*), be entitled, in computing for the purposes of section 97(1) the amount of a surplus or deficiency in respect of the rent from the qualifying premises, to a deduction of so much (if any) of the expenditure as is to be treated under section 380I(6) or under this section as having been incurred by such person in the qualifying period,

(*b*) the deduction to which paragraph (*a*) refers shall be given for the chargeable period in which the expenditure is incurred or, if the premises was not let under a qualifying lease during that chargeable period, the chargeable period beginning on the date of the first such letting after the expenditure is incurred, and for any of the subsequent chargeable periods in which the qualifying premises in respect of which the person incurred the relevant expenditure continues to be a qualifying premises and the deduction shall be of an amount equal to 15 per cent of the expenditure to which paragraph (*a*) refers; but, the total amount to be deducted shall not exceed 100 per cent of that expenditure,

(*c*) where a chargeable period consists of a period less than one year in length, the amount of the deduction to which paragraph (*b*) refers shall not exceed such portion of the amount specified in that paragraph as bears to that amount the same proportion as the length of the chargeable period bears to a period of one year, and

(*d*) Chapter 8 of Part 4 shall apply as if the deduction referred to in paragraph (*a*) were a deduction authorised by section 97(2).

(3)(*a*) This subsection shall apply to any premium or other sum which—

(i) is payable, directly or indirectly, under a qualifying lease or otherwise under the terms subject to which the lease is granted, to or for the benefit of the lessor

or to or for the benefit of any person connected with the lessor, and

(ii) is payable on or subsequent to the date of completion of the refurbishment to which the relevant expenditure relates or, if payable before that date, is so payable by reason of or otherwise in connection with the carrying out of the refurbishment.

(*b*) Where any premium or other sum to which this subsection applies, or any part of such premium or such other sum, is not or is not treated as rent for the purposes of section 97, the relevant expenditure to be treated as having been incurred in the qualifying period in relation to the qualifying premises to which the qualifying lease relates shall be deemed for the purposes of subsection (2) to be reduced by the lesser of—

(i) the amount of such premium or such other sum or, as the case may be, that part of such premium or such other sum, and

(ii) the amount which bears to the amount mentioned in subparagraph (i) the same proportion as the amount of the relevant expenditure actually incurred in relation to the qualifying premises, which is to be treated under section 380I(6) as having been incurred in the qualifying period bears to the whole of the relevant expenditure incurred in relation to the qualifying premises.

(4) Where a qualifying premises forms a part of a building or is one of a number of buildings in a single development, or forms a part of a building which is itself one of a number of buildings in a single development, there shall be made such apportionment as is necessary of the relevant expenditure incurred on that building or those buildings for the purposes of determining the relevant expenditure incurred in relation to the qualifying premises.

(5) Where a house is a qualifying premises and at any time during the relevant period in relation to the premises either of the following events occurs—

(*a*) the house ceases to be a qualifying premises, or

(*b*) the ownership of the lessor's interest in the house passes to any other person but the house does not cease to be a qualifying premises,

then, the person who before the occurrence of the event received or was entitled to receive a deduction under subsection (2) in respect of relevant expenditure incurred in relation to the qualifying premises shall be deemed to have received on the day before the day of the occurrence of the event an amount as rent from the qualifying premises equal to the amount of the deduction.

(6) Where the event mentioned in subsection (5)(*b*) occurs in the relevant period in relation to a house which is a qualifying premises, the person to whom the ownership of the lessor's interest in the house passes shall be treated for the purposes of this section as having incurred in the qualifying period an amount of relevant expenditure in relation to the house equal to the amount of the relevant expenditure which under section 380I(6) or under this section (apart from subsection (3)(*b*)) the lessor was treated as having incurred in the qualifying period in relation to the house; but, in the case of a person who purchases such a house, the amount so treated as having been incurred by such person shall not exceed—

(*a*) the net price paid by such person on the purchase, or

(*b*) in case only a part of the relevant expenditure incurred in relation to the house is to be treated under section 380I(6) as having been incurred in the qualifying period, the amount which bears to that net price the same proportion as that part bears to the whole of the relevant expenditure incurred in relation to the house.

(7) Where relevant expenditure is incurred in relation to a house and before the house is used subsequent to the incurring of that expenditure it is sold, the person who purchases the house shall be treated for the purposes of this section as having incurred in the qualifying period relevant expenditure in relation to the house equal to the lesser of—

(*a*) the amount of such expenditure which is to be treated under section 380I(6) as having been incurred in the qualifying period, and

(*b*) (i) the net price paid by such person on the purchase, or

(ii) in case only a part of the relevant expenditure incurred in relation to the house is to be treated under section 380I(6) as having been incurred in the qualifying period, the amount which bears to that net price the same proportion as that part bears to the whole of the relevant expenditure incurred in relation to the house;

but, where the house is sold more than once before it is used subsequent to the incurring of the relevant expenditure in relation to the house, this subsection shall apply only in relation to the last of those sales.

(8) This section shall not apply in the case of any refurbishment unless planning permission, in so far as it is required, in respect of the work carried out in the course of the refurbishment has been granted under the Local Government (Planning and Development) Acts, 1963 to 1999, or the Planning and Development Act, 2000.

(9) Expenditure in respect of which a person is entitled to relief under this section shall not include any expenditure in respect of which any person is entitled to a deduction, relief or allowance under any other provision of the Tax Acts.

(10) Section 380I shall apply for the purposes of supplementing this section.

Provisions supplementary to section 380H.

380I.— (1) A lease shall not be a qualifying lease for the purposes of section 380H if the terms of the lease contain any provision enabling the lessee or any other person, directly or indirectly, at any time to acquire any interest in the house to which the lease relates for a consideration less than that which might be expected to be given at that time for the acquisition of the interest if the negotiations for that acquisition were conducted in the open market at arm's length.

(2) A house shall not be a qualifying premises for the purposes of section 380H if—

(*a*) it is occupied as a dwelling by any person connected with the person entitled, in relation to the expenditure incurred on the refurbishment

of the house, to a deduction under section 380H(2),

(*b*) the terms of the qualifying lease in relation to the house are not such as might have been expected to be included in the lease if the negotiations for the lease had been at arm's length, and

(*c*) the lessor has not complied with all the requirements of the following Regulations—

(i) the Housing (Standards for Rented Houses) Regulations, 1993 (S.I. No. 147 of 1993),

(ii) the Housing (Rent Books) Regulations, 1993 (S.I. No. 146 of 1993), and

(iii) the Housing (Registration of Rented Houses) Regulations, 1996 (S.I. No. 30 of 1996), as amended by the Housing (Registration of Rented Houses) (Amendment) Regulations, 2000 (S.I. No. 12 of 2000).

(3)(*a*) A house shall not be a qualifying premises for the purposes of section 380H unless it complies with such conditions, if any, as may be determined by the Minister for the Environment and Local Government from time to time for the purposes of section 5 of the Housing (Miscellaneous Provisions) Act, 1979, in relation to standards for improvements of houses and the provision of water, sewerage and other services in houses.

(*b*) A house shall not be a qualifying premises for the purposes of section 380H unless the house or, in a case where the house is one of a number of houses in a single development, the development of which it is a part complies with such guidelines as may from time to time be issued by the Minister for the Environment and Local Government, with the consent of the Minister for Finance, in relation to the refurbishment of houses as qualifying premises for the purposes of section 380H and, without prejudice to the generality of the foregoing, such guidelines may include provisions in relation to the refurbishment of houses, and the provision of ancillary

facilities and amenities in relation to houses.

(4) A house shall not be a qualifying premises for the purposes of section 380H unless persons authorised in writing by the Minister for the Environment and Local Government for the purposes of that section are permitted to inspect the house at all reasonable times on production, if so requested by a person affected, of their authorisations.

(5) For the purposes of determining, in relation to any claim under section 380H(2), whether and to what extent expenditure incurred on the refurbishment of a qualifying premises is incurred or not incurred during the qualifying period, only such an amount of that expenditure as is properly attributable to work on the refurbishment of the premises actually carried out during the qualifying period shall be treated as having been incurred.

(6) For the purposes of section 380H, other than the purposes mentioned in subsection (5), relevant expenditure incurred in relation to the refurbishment of a qualifying premises shall be deemed to have been incurred on the date of the commencement of the relevant period, in relation to the premises, determined as respects the refurbishment to which the relevant expenditure relates.

(7) For the purposes of section 380H, expenditure shall not be regarded as incurred by a person in so far as it has been or is to be met, directly or indirectly, by the State, by any board established by statute or by any public or local authority.

(8) Section 555 shall apply as if a deduction under section 380H(2) were a capital allowance and as if any rent deemed to have been received by a person under section 380H(5) were a balancing charge.

(9) An appeal to the Appeal Commissioners shall lie on any question arising under this section or under section 380H (other than a question on which an appeal lies under section 18 of the Housing (Miscellaneous Provisions) Act, 1979) in the like manner as an appeal would lie against an assessment to income tax or corporation tax, and the provisions of the Tax Acts relating to appeals shall apply accordingly.

Provision against double relief.

380J.—Where relief is given by virtue of any provision of this Part in relation to expenditure incurred on any premises, relief shall not be given in respect of that expenditure under any other provision of the Tax Acts.'.".

—An tAire Airgeadais.

81. In page 125, before section 56, to insert the following new section:

"Capital allowances for certain hospitals.

56.—(1) Part 9 of the Principal Act is amended—

(*a*) in section 268—

(i) in subsection (1)—

(I) in paragraph (*h*), by the deletion of 'or,' where it last occurs,

(II) in paragraph (*i*), by the substitution of 'that Act, or' for 'that Act.', and

(III) by the insertion after paragraph (*i*) of the following:

'(*j*) for the purposes of a trade which consists of the operation or management of a qualifying hospital,',

(ii) by the insertion after subsection (2) of the following:

'(2A) In this section—

"health board" means—

(*a*) a health board established under the Health Act, 1970,

(*b*) the Eastern Regional Health Authority,

(*c*) and Area Health Board established under the Health (Eastern Regional Health Authority) Act, 1999, or

(*d*) the Health Board Executive;

"qualifying hospital" means a hospital (within the meaning of the Tobacco (Health Promotion and Protection) Regulations, 1995 (S.I. No. 359 of 1995)) which—

(*a*) is a private hospital (within the meaning of the Health Insurance Act, 1994 (Minimum Benefits) Regulations, 1996 (S.I. No. 83 of 1996)),

(*b*) is operated or managed by a body of persons, or trust, established for charitable purposes only and which, by virtue of section 208, is entitled to exemption from income tax or corporation tax in respect of the profits or gains derived from the operation or management of the hospital,

(*c*) has the capacity to provide and normally provides medical and surgical services to persons every day of the year,

(*d*) has the capacity to provide out-patient services and accommodation on an overnight basis of not less than 100 in-patient beds,

(*e*) contains an operating theatre or theatres and related on-site diagnostic and therapeutic facilities,

(*f*) contains facilities to provide not less than 5 of the following services:

(i) accident and emergency,

(ii) cardiology and vascular,

(iii) eye, ear, nose and throat,

(iv) gastroenterology,

(v) geriatrics,

(vi) haematology,

(vii) maternity,

(viii) medical,

(ix) neurology,

(x) oncology,

(xi) orthopaedic,

(xii) respiratory,

(xiii) rheumatology, and

(xiv) paediatric,

(*g*) undertakes to the health board in whose functional area it is situated—

(i) to make available annually, for the treatment of persons who have been awaiting in-patient or out-patient hospital services as public patients, not less than 20 per cent of its capacity, subject to service requirements to be specified by the health board in advance and to the proviso that nothing in this subparagraph shall require the health board to take up all or any part of the capacity made available to the health board by the hospital, and

(ii) in relation to the fees to be charged in respect of the treatment afforded to any such person, that such fees shall not be more than 90 per cent of the fees which would be charged in respect of similar treatment afforded to a person who has private medical insurance,

and

(*h*) in respect of which that health board, in consultation with the Minister for Health and Children and with the consent of the Minister for Finance, gives a certificate in writing stating that it is satisfied that the hospital complies with the conditions mentioned in paragraphs (*a*), (*c*), (*d*), (*e*), (*f*) and (*g*),

but does not include any part of the hospital which consists of consultants' rooms or offices.',

and

(iii) in subsection (9)—

(I) in paragraph (*e*), by the deletion of 'and' where it last occurs,

(II) in paragraph (*f*), by the substitution of '1998, and' for '1998.', and

(III) by the insertion after paragraph (*f*) of the following:

'(*g*) by reference to paragraph (*j*), as respects capital expenditure incurred on or after the date of the coming into operation of *section 56* of the *Finance Act, 2001.*',

(*b*) in section 272—

(i) in subsection (3)—

(I) in paragraph (*f*), by the deletion of 'and',

(II) in paragraph (*g*), by the substitution of 'subsection (2)(*c*), and' for 'subsection (2)(*c*).', and

(III) by the insertion after paragraph (*g*) of the following:

'(*h*) in relation to a building or structure which is to be regarded as an industrial building or structure within the meaning of section 268(1)(*j*), 15 per cent of the expenditure referred to in subsection (2)(*c*).',

and

(ii) in subsection (4)—

(I) in paragraph (*f*), by the deletion of 'and',

(II) in paragraph (*g*)(ii)(II), by the substitution of '1998,' for '1998.', and

(III) by the insertion after paragraph (*g*) of the following:

'and

(*h*) in relation to a building or structure which is to be regarded as an industrial building or structure within the meaning of section 268(1)(*j*), 7 years beginning with the time when the building or structure was first used.',

and

(*c*) in section 274(1)(*b*)—

(i) in subparagraph (v)(II), by the deletion of 'and',

(ii) in subparagraph (vi)(II)(B), by the substitution of '1998,' for '1998.', and

(iii) by the insertion after subparagraph (vi) of the following:

'and

(vii) in relation to a building or structure which is to be regarded as an industrial building or structure within the meaning of section 268(1)(*j*), 10 years beginning with the time when the building or structure was first used.'.

(2) This section shall come into operation on such day as the Minister for Finance may by order appoint.".

—An tAire Airgeadais.

SECTION 61

82. In page 133, lines 7 to 9, to delete "who at the time of such assignment were living together".

—Derek McDowell.

83. In page 133, line 27, after "(*c*)" to insert "or (*d*)".

—Derek McDowell.

84. In page 134, line 29, to delete "or".

—An tAire Airgeadais.

85. In page 134, to delete lines 30 to 43, and substitute the following:

"(*b*) immediately before the chargeable event, the policy holder is—

(i) a company carrying on life business,

(ii) an investment undertaking (within the meaning of section 739B), or

(iii) a person who is entitled to exemption from income tax by virtue of section 207(1)(*b*), and

the assurance company which commenced the life policy is in possession of a declaration in relation to the life policy, of a kind referred to in section 730E(3), or

(*c*) where the life policy is an asset held in a special savings incentive account within the meaning of section 848B (inserted by the *Finance Act, 2001*) and the assurance company which commenced the life policy is in possession of a declaration of a kind referred to in section 730E(3A).',".

—An tAire Airgeadais.

SECTION 61—*continued.*

86. In page 136, line 20, to delete "Chapter.'," and substitute the following:

"Chapter.

(3A) The declaration referred to in section 730D(2)(*c*) in relation to a life policy is a declaration in writing to the assurance company which—

(*a*) is made by a qualifying savings manager (in this paragraph referred to as the 'declarer') within the meaning of section 848B (inserted by the *Finance Act, 2001*), in respect of the life policy which is an asset held in a special savings incentive account,

(*b*) is signed by the declarer,

(*c*) is made in such form as may be prescribed or authorised by the Revenue Commissioners,

(*d*) declares that, at the time the declaration is made, the life policy in respect of which the declaration is made—

(i) is an asset held in a special savings investment account, and

(ii) is managed by the declarer for the individual who is beneficially entitled to the life policy,

(*e*) contains the name and the address, and the PPS Number (within the meaning of section 223 of the Social Welfare (Consolidation) Act, 1993), of the individual referred to in paragraph (*d*),

(*f*) contains an undertaking by the declarer that if the life policy ceases to be an asset held in the special savings incentive account, the declarer will notify the assurance company accordingly, and

(*g*) contains such other information as the Revenue Commissioners may reasonably require for the purposes of this Chapter.',".

—An tAire Airgeadais.

SECTION 65

87. In page 141, subsection (1)(*a*), to delete lines 3 to 25, and substitute the following:

"(i) in subsection (1)—

(I) in the definition of 'chargeable event'—

(A) by the deletion in paragraph (*b*) of 'other than a payment made on the death of a unit holder',

(B) by the deletion in paragraph (*c*) of '(other than as a result of the death of the unit holder)', and

(C) by the substitution for paragraphs (A) and (B) of the following:

'(I) any exchange by a unit holder, effected by way of a bargain made at arm's length by an investment undertaking which is an umbrella scheme, of units in a sub-fund of the investment undertaking, for units in another sub-fund of the investment undertaking,

(II) any exchange by a unit holder, effected by way of a bargain made at arm's length by an investment undertaking, of units in the investment undertaking for other units in the investment undertaking,

(III) any transaction in relation to, or in respect of, units which are held in a recognised clearing system, and

(IV) the transfer by a unit holder of entitlement to a unit where the transfer is—

(A) between a husband and wife who at the time of such transfer are living together,

(B) between the spouses or former spouses concerned (as the case may be), by virtue or in consequence of an order made under Part III of the Family Law (Divorce) Act, 1996, on or following the granting of a decree of divorce,

(C) between the spouses concerned, by virtue or in consequence of an order made under Part II of the Family Law Act, 1995, on or following the granting of a decree of judicial separation within the meaning of that Act, or

(D) between the spouses or former spouses concerned (as the case may be), by virtue of an order or other determination of like effect, which is analogous to an order referred to in subparagraph (B) or (C), of a court under the law of a territory other than the State made under or in consequence of the dissolution of a marriage or the legal separation of the spouses, being a dissolution or legal separation that is entitled to be recognised as valid in the State,

but on the happening of a chargeable event following such a transfer, the then unit holder shall be treated as having acquired the unit transferred at the same cost as the person who transferred the unit;',

(II) by the insertion after the definition of 'qualifying management company' of the following:

'"qualifying savings manager"' has the meaning assigned to it in section 848B (inserted by the *Finance Act, 2001*);',

and

(III) by the insertion after the definition of 'special investment scheme' of the following:

'"special savings incentive account"' has the meaning assigned to it by section 848B (inserted by the *Finance Act, 2001*);'.".

—An tAire Airgeadais.

88. In page 145, line 43, to delete "require.'," and substitute "require.".

—An tAire Airgeadais.

89. In page 145, between lines 43 and 44, to insert the following:

"(8C) (*a*) In this section a 'scheme of amalgamation' means an arrangement whereby a unit holder in a unit trust referred to in section 731(5)(*a*) exchanges units so held, for units in an investment undertaking.

(*b*) A gain shall not be treated as arising to an investment undertaking on the happening of a chargeable event in respect of a unit holder where—

(i) the unit holder acquires units in the investment undertaking in exchange for units held in a unit trust referred to in section 731(5)(*a*), under a scheme of amalgamation, and

(ii) within 30 days of the scheme of amalgamation taking place, the investment undertaking forwards to the Collector-General a list containing, in respect of each unit holder who so acquired units in the investment undertaking, the name and address and such other information as the Revenue Commissioners may reasonably require.

(8D)(*a*) In this section 'scheme of migration and amalgamation' means an arrangement whereby the assets of a unit trust, whose trustees are neither resident nor ordinarily resident in the State, are transferred to an investment undertaking in exchange for the issue by the investment undertaking of units to the unit holders of the unit trust, in proportion to the number of units they so held, and as a result of which the units in the unit trust become negligible in value.

(*b*) A gain shall not be treated as arising to an investment undertaking on the happening of a chargeable event in respect of a unit holder where—

(i) under a scheme of migration and amalgamation the unit holder acquires units in the investment undertaking in exchange for units held in a unit trust whose trustees are neither resident nor ordinarily resident in the State, and

(ii) within 30 days of the scheme of migration and amalgamation taking place, the investment undertaking forwards to the Collector-General, a declaration of a kind referred to in paragraph (*c*),

otherwise than in respect of a unit holder whose name is included in the schedule referred to in paragraph (*c*)(ii).

(*c*) The declaration referred to in paragraph (*b*) is a declaration in writing made and signed by the investment undertaking which—

(i) declares to the best of the investment undertaking's knowledge and belief that at the time of the scheme of migration and amalgamation it did not issue units to a person who was resident in the State at that time, other than such persons whose names and addresses are set out on the schedule to the declaration, and

SECTION 65—*continued.*

(ii) contains a schedule which sets out the name and address of each person who was resident in the State at the time that the person was issued units by the investment undertaking under the scheme of migration and amalgamation.'.".

—An tAire Airgeadais.

SECTION 66

90. In page 148, before section 66, to insert the following new section:

"Amendment of Schedule 2B (investment undertakings declarations) of Principal Act.

66.—The Principal Act is amended in Schedule 2B by the substitution for paragraph 9 of the following:

'*Declaration of qualifying fund manager or qualifying savings manager*

9. The declaration referred to in section 739D(6)(*h*) is a declaration in writing to the investment undertaking which—

(*a*) is made by a qualifying fund manager or, as the case may be, a qualifying savings manager (in this paragraph referred to as the 'declarer') in respect of the units which are assets in an approved retirement fund, an approved minimum retirement fund, or a special savings incentive account,

(*b*) is signed by the declarer,

(*c*) is made in such form as may be prescribed or authorised by the Revenue Commissioners,

(*d*) declares that, at the time the declaration is made, the units in respect of which the declaration is made—

(i) are assets of an approved retirement fund, an approved minimum retirement fund or, as the case may be, a special savings incentive account, and

(ii) are managed by the declarer for the individual who is beneficially entitled to the units,

(*e*) contains the name, address and tax reference number of the individual referred to in paragraph (*d*),

(*f*) contains an undertaking by the declarer that if the units cease to be assets of the approved retirement fund, the approved minimum retirement fund or held in the special savings incentive account, including a case where the units are transferred to another such fund or account, the declarer will notify the investment undertaking accordingly, and

SECTION 66—*continued.*

(*g*) contains such other information as the Revenue Commissioners may reasonably require for the purposes of Chapter 1A of Part 27.'.".

—An tAire Airgeadais.

SECTION 69

91. In page 158, before section 69, but in Chapter 3, to insert the following new section:

"Amendment of provisions relating to Dublin Docklands Development Authority.

69.—The Principal Act is amended—

(*a*) in section 9(1)—

(i) by the substitution in paragraph (*c*) for 'company.' of 'company,', and

(ii) by the insertion of the following after paragraph (*c*):

'(*d*) a "wholly-owned subsidiary" of another company if and so long as 100 per cent of its ordinary share capital is directly owned by that other company.',

(*b*) as respects accounting periods ending on or after 6 April 2001, in paragraph 3 of the Table to section 220 by the substitution for 'Authority.' of 'Authority and any of its wholly-owned subsidiaries.', and

(*c*) as respects disposals made on or after 6 April 2001, in paragraph 31 of Schedule 15 by the substitution for 'Authority.' of 'Authority and any of its wholly-owned subsidiaries.'.".

—An tAire Airgeadais.

SECTION 77

92. In page 164, before section 77, but in Chapter 4, to insert the following new section:

"Restriction of certain losses and charges.

77.—(1) The Principal Act is amended—

(*a*) in Part 8 by the insertion after section 243 of the following:

'Restriction of relevant charges on income.

243A. —(1) In this section—

"relevant trading charges on income", in relation to an accounting period of a company, means the charges on income paid by the company in the accounting period wholly and exclusively for the purposes of a trade carried on by the company, other than so much of those charges as are charges on income paid for the purposes of an excepted trade within the meaning of

section 21A;

"relevant trading income", in relation to an accounting period of a company, means the trading income of the company for the accounting period (not being income chargeable to tax under Case III of Schedule D) other than so much of that income as is income of an excepted trade within the meaning of section 21A;

(2) Notwithstanding section 243, relevant trading charges on income paid by a company in an accounting period shall not be allowed as deductions against the total profits of the company for the accounting period.

(3) Subject to section 454, where a company pays relevant trading charges on income in an accounting period and, apart from subsection (2), those charges would be allowed as deductions against the total profits of the company for the accounting period, those charges shall be allowed as deductions against the amount of the relevant trading income of the company for the accounting period as reduced by any amount set off against that income under section 396A.',

(*b*) in Part 12—

(i) by the insertion after section 396 of the following section:

'Relief for relevant trading losses.

396A.—(1) In this section—

"relevant trading income" has the same meaning as in section 243A;

"relevant trading loss", in relation to an accounting period of a company, means a loss incurred in the accounting period in a trade carried on by the company, other than so much of the loss as is a loss incurred in an excepted trade within the meaning of section 21A.

(2) Notwithstanding subsection (2) of section 396, for the purposes of that subsection the amount of a loss in a trade incurred by a company in an accounting period shall be deemed to be reduced by the amount of a relevant trading loss incurred by the company in the accounting period.

(3) Subject to section 455, where in an accounting period a company carrying on a trade incurs a relevant trading loss, the company may make a claim requiring that the loss be set off for the purposes of corporation tax against its relevant trading income—

(*a*) of that accounting period, and

(*b*) if it was then carrying on the trade and if the claim so requires, of preceding accounting periods ending within the time specified in subsection (4),

and, subject to that subsection and any relief for an earlier relevant trading loss, to the extent that the trading income of any of those accounting periods consists of or includes relevant trading income, that trading income shall then be reduced by the amount of the relevant trading loss or by so much of that amount as cannot be relieved against relevant trading income of a later accounting period.

(4) For the purposes of subsection (3), the time referred to in paragraph (*b*) of that subsection shall be the time immediately preceding the accounting period first mentioned in subsection (3) equal in length to that accounting period; but the amount of the reduction which may be made under subsection (3) in the relevant trading income of an accounting period falling partly before that time shall not exceed such part of that relevant trading income as bears to the whole of the relevant trading income the same proportion as the part of the accounting period falling within that time bears to the whole of that accounting period.',

and

(ii) by the insertion after section 420 of the following:

'Group relief: relevant losses and charges.

420A.—(1) In this section—

"relevant trading charges on income" and "relevant trading income" have the same

meanings, respectively, as in section 243A;

"relevant trading loss" has the same meaning as in section 396A.

(2) Notwithstanding subsections (1) and (6) of section 420 and section 421, where in any accounting period the surrendering company incurs a relevant trading loss or an excess of relevant charges on income, that loss or excess may not be set off for the purposes of corporation tax against the total profits of the claimant company for its corresponding accounting period.

(3) Subject to section 456, where in any accounting period the surrendering company incurs a relevant trading loss or an excess of relevant trading charges on income, that loss or excess may be set off for the purposes of corporation tax against the relevant trading income of the claimant company for its corresponding accounting period as reduced by any amounts allowed as deductions against that income under section 243A or set off against that income under section 396A.

(4) Group relief allowed under subsection (3) shall reduce the income from a trade of the claimant company for an accounting period—

(*a*) before relief granted under section 397 in respect of a loss incurred in a succeeding accounting period or periods, and

(*b*) after the relief granted under section 396 in respect of a loss incurred in a preceding accounting period or periods.

(5) For the purposes of this section in the case of a claim made by a company as a member of a consortium, only a fraction of a relevant trading loss or an excess of relevant charges on income may be set off, and that fraction shall be equal to that member's share in the consortium, subject to any further reduction under section 422(2).',

and

(*c*) in Chapter 2 of Part 14—

(i) in section 448—

(I) by the substitution of the following for subsections (3) and (4):

'(3) For the purposes of subsection (2), the "income from the sale of those goods" shall be the amount determined by—

(*a*) firstly, calculating such sum (in this subsection referred to as the "relevant sum") as bears to the amount of the company's income for the relevant accounting period from the sale in the course of the trade mentioned in that subsection of goods and merchandise the same proportion as the amount receivable by the company in the relevant accounting period from the sale in the course of the trade of goods bears to the total amount receivable by the company in the relevant accounting period from the sale in the course of the trade of goods and merchandise, and

(*b*) then, deducting from the relevant sum—

(i) the amount of any relief for charges allowed under section 454,

(ii) the amount of any relief for a loss in a trade allowed under section 455, and

(iii) the amount of any group relief allowed under section 456,

against income of the trade in the relevant accounting period.

(4) For the purposes of subsection (3), the "company's income for the relevant accounting period from the sale in the course of the trade mentioned in that subsection of goods and merchandise" shall be determined as an amount equal to—

(*a*) in any case where the income from the trade is derived solely from sales of goods and merchandise, the amount of the company's income from the trade, and

(*b*) in any other case, such amount of the income from the trade as appears to the inspector or on appeal to the Appeal Commissioners to be just and reasonable,

but shall be so determined as if—

(i) no relief for charges had been claimed under section 243A or 454,

(ii) no relief for a loss in a trade had been claimed under section 396A or 455, and

(iii) no group relief had been allowed under section 420A or 456,

for the relevant accounting period.',

and

(II) by the substitution of the following for subparagraph (i) of subsection (5A)(*b*):

'(i) by any amounts allowed under sections 243A, 396A, 420A, 454, 455 and 456, and',

(ii) by the substitution in section 454 for subsections (2) and (3) of the following:

'(2) Notwithstanding sections 243 and 243A, charges on income paid for the purposes of the sale of goods by a company in a relevant accounting period in the course of a trade or trades, as the case may be, shall not be allowed as deductions against the total profits, or against the relevant trading income, of the company for the relevant accounting period.

(3) Charges on income paid for the purposes of the sale of goods by a company in a relevant accounting period which charges on income would, apart from subsection (2) and section 243A(2), be allowed as deductions against the total profits of the company for the accounting period, shall be allowed as deductions against the company's income from the sale of goods, as reduced by any amount set off under section 455, for the accounting period.',

(iii) in section 455—

(I) in subsection (2) by the substitution of 'Notwithstanding sections 396(2) and 396A(2) but subject to subsections (6) and (7), for the purposes of those sections' for 'Notwithstanding section 396(2) but subject to

subsections (6) and (7), for the purposes of that section', and

(II) by the deletion of subsection (5),

(iv) in section 456—

(I) by the substitution for subsection (2) of the following:

'(2) Notwithstanding subsections (1) and (6) of section 420 and sections 420A(3) and 421, where in any relevant accounting period the surrendering company incurs a loss from the sale of goods or an excess of charges on income paid for the sale of goods, that loss or excess may not be set off for the purposes of corporation tax against the total profits, or against the relevant trading income, of the claimant company for its corresponding accounting period.

(2A)(*a*) Where in any relevant accounting period the surrendering company incurs a loss from the sale of goods or an excess of charges on income paid for the sale of goods, that loss or excess may be set off for the purposes of corporation tax against the income from the sale of goods of the claimant company for its corresponding accounting period, as reduced by any amounts—

(i) allowed as deductions against that income under section 454, or

(ii) set off against that income under section 455.

(*b*) Group relief allowed under paragraph (*a*) shall reduce the income from a trade of the claimant company for an accounting period—

(i) before relief granted under section 397 in respect of a loss incurred in a succeeding accounting period or periods, and

(ii) after the relief granted under section 396 in respect of a loss incurred in a preceding accounting period or periods.',

and

(II) in subsection (5) by the deletion of paragraph (*b*),

and

(v) by the deletion of section 457.

(2) Subsection (1) applies as respects an accounting period ending on or after 6 March 2001.

(3) Sections 454, 455 and 456 shall cease to have effect as on and from 1 January 2003.

(4) For the purposes of this section—

(*a*) where an accounting period of a company begins before 6 March 2001 and ends on or after that date, it shall be divided into 2 parts, one beginning on the date on which the accounting period begins and ending on 5 March 2001 and the other beginning on 6 March 2001 and ending on the date on which the accounting period ends, and both parts shall be treated as if they were separate accounting periods of the company, and

(*b*) where an accounting period of a company begins before 1 January 2003 and ends on or after that date, it shall be divided into 2 parts, one beginning on the date on which the accounting period begins and ending on 31 December 2002 and the other beginning on 1 January 2003 and ending on the date on which the accounting period ends, and both parts shall be treated as if they were separate accounting periods of the company.".

—An tAire Airgeadais.

93. In page 164, before section 77, but in Chapter 5, to insert the following new section:

"Public Private Partnership.

77.—(1) Where land or property is to be acquired under a compulsory purchase order for infrastructural or like development and the consequential development is by way of Public Private Partnership the compensation or part thereof payable to the vendor may include, at the discretion of the vendor, shares or options over shares in the said development.

(2) The Minister for the Environment and Local Government with the consent of the Minister for Finance may draw up regulations to give detailed effect to this provision.".

—Jim Mitchell, Paul McGrath.

SECTION 77—*continued.*

94. In page 164, before section 77, but in Chapter 5, to insert the following new section:

"Compulsory purchase order.

77.—The Principal Act is amended by the insertion after section 600 of the following:

'Compulsory purchase order.

600A.—Notwithstanding any provision of any other taxing statute the proceeds arising from the disposal of property under a compulsory purchase order shall be exempt from capital gains tax.'.".

—Jim Mitchell, Paul McGrath.

SECTION 78

95. In page 168, to delete line 16, and substitute "(2), other than to his or her spouse, and".

—An tAire Airgeadais.

SECTION 106

96. In page 187, line 31, to delete "*96, 97, 98, 99, 100, 101, 102*" and substitute "*94, 96, 97, 98, 100, 101* or *102*".

—An tAire Airgeadais.

SECTION 111

97. In page 189, subsection (5)(*a*), line 16, after "proceedings" to insert "in respect of an excise offence".

—Derek McDowell.

98. In page 189, subsection (5), lines 18 to 20, to delete paragraph (*b*).

—Derek McDowell.

99. In page 189, lines 21 and 22, to delete subsection (6).

—Derek McDowell.

SECTION 114

Section opposed.

—Derek McDowell.

SECTION 116

Section opposed.

—Derek McDowell.

SECTION 130

100. In page 200, subsection (5), line 26, to delete "30 days" and substitute "2 months".

—Derek McDowell.

101. In page 200, subsection (5), lines 35 and 36, to delete ", in exceptional cases,".

—Derek McDowell.

SECTION 130—*continued.*

102. In page 201, lines 10 to 17, to delete subsection (12).
—Derek McDowell.

SECTION 131

103. In page 201, subsection (2), line 32, to delete paragraph (*b*).
—Derek McDowell.

104. In page 201, subsection (2), line 33, after "earlier," to insert "or such longer period as the Appeal Commissioners may allow,".
—Derek McDowell.

SECTION 132

105. In page 202, line 30, to delete "such amount of duty" and substitute "the amount of duty which the person alleges to be payable".
—Derek McDowell.

SECTION 133

Section opposed.
—Derek McDowell.

SECTION 139

106. In page 206, line 44, after "*Schedule*" to insert "*4*".
—An tAire Airgeadais.

SECTION 141

107. In page 207, subsection (1), to delete line 35.
—Jim Mitchell, Paul McGrath, Seymour Crawford.

108. In page 207, subsection (1), to delete line 40.
—Jim Mitchell, Paul McGrath, Seymour Crawford.

109. In page 207, subsection (2)(*a*), line 46, to delete "inserted" and substitute "as substituted".
—Derek McDowell.

SECTION 154

110. In page 213, to delete lines 3 to 12, and substitute the following:

"(*c*) is not more than 2,519 kilograms gross vehicle weight or not more than 2.449 metres wheelbase:

but if a vehicle is of not more than 1,600 kilograms unladen weight and the roofed area of the vehicle to the rear of the driver's seat has a load volume of more than 2 cubic metres when measured in such manner as the Commissioners may approve, the vehicle shall not be regarded as a category B vehicle;',".
—An tAire Airgeadais.

SECTION 161

111. In page 214, line 34, to delete "individual", and substitute "individuals".

—An tAire Airgeadais.

112. In page 214, to delete lines 38 to 42, and in page 215, to delete lines 1 and 2, and substitute the following:

"'affords that player no more than an opportunity—

(i) to play again once more without paying to play, or

(ii) to obtain a non-monetary prize which, if available for purchase or a similar item were so available, would not normally exceed £5 in value,

shall be deemed not to be a gaming machine.',".

—An tAire Airgeadais.

SECTION 162

113. In page 215, before section 162, to insert the following new section:

"Amendment of section 34 (amendments relative to penalties) of Finance Act, 1963.

162.—(1) Section 34 of the Finance Act, 1963, is amended—

(*a*) in subsection (4)—

(i) by the substitution in paragraph (*c*)(i) of '£1,500' for '£1,000' (inserted by the Finance Act, 1983),

(ii) by the substitution in paragraph (*d*)(ii) of '£1,500' for '£1,000' (as so inserted),

and

(*b*) by the substitution in subsection (5) of '£1,500' for '£1,000' (as so inserted).

(2) With effect on and from 1 January 2002, section 34 of the Finance Act, 1963, is amended—

(*a*) in subsection (4)—

(i) by the substitution in paragraph (*c*)(i) of '€1,900' for '£1,500' (inserted by *subsection (1)*),

(ii) by the substitution in paragraph (*d*)(ii) of '€1,900' for '£1,500' (as so inserted),

and

SECTION 162—*continued.*

(*b*) by the substitution in subsection (5) of '€1,900' for '£1,500' (as so inserted).".

—An tAire Airgeadais.

[*Acceptance of this Amendment involves the deletion of section 162 of the Bill.*]

SECTION 163

114. In page 215, before section 163, to insert the following new section:

"Amendment of section 89 (amendment of penalties under section 186 (illegally importing) of Customs Consolidation Act, 1876) of Finance Act, 1997.

163.—(1) Section 89 of the Finance Act, 1997, is amended by the substitution in paragraph (*a*) of '£1,500' for '£1,000'.

(2) With effect on and from 1 January 2002, section 89 of the Finance Act, 1997, is amended by the substitution in paragraph (*a*) of '€1,900' for '£1,500' (inserted by *subsection (1)*).".

—An tAire Airgeadais.

115. In page 215, before section 163, to insert the following new section:

"Amendment of section 130 of Finance Act, 1992.

163.—Section 130 of the Finance Act, 1992 (as amended by the Finance (No. 2) Act, 1992) is hereby amended by the addition to the definition of 'category D vehicle' of the following words:

'or any vehicle which has an engine of a cylinder capacity of 30 cubic centimetres or less'.".

—Dinny McGinley, Jim Mitchell.

SECTION 169

116. In page 217, before section 169, to insert the following new section:

"Amendment of section 8 of Value Added Tax Act, 1972.

169.—Section 8(3)(*e*) of the Value Added Tax Act, 1972 is amended by the substitution of '£30,000' for '£20,000'.".

—Jim Mitchell, Paul McGrath.

SECTION 171

117. In page 217, paragraph (*a*), line 24, after " '20 per cent" to insert "until 31 December, 2001, 18 per cent from 1 January, 2002 until 31 December, 2002, 16 per cent from 1 January, 2003 until 31 December, 2003 and 15 per cent thereafter".

—Jim Mitchell, Paul McGrath.

SECTION 172

118. In page 217, before section 172, to insert the following new section:

"Amendment of section 12 (deduction for tax borne or paid) of Principal Act.

172.—Section 12 of the Principal Act is amended—

(*a*) by the insertion in paragraph (*a*) of subsection (1) after 'deduct', of ', subject to making any adjustment required in accordance with section 12D,',

(*b*) by the insertion in paragraph (*b*) (inserted by the Finance Act, 1987) of subsection (1) of the following after paragraph (*ia*):

'(*ib*) the operation, in accordance with Commission Regulation (EC) No. 2777/2000 of 18 December 2000, of the Cattle Testing or Purchase for Destruction Scheme, by a body who is a taxable person by virtue of the Value-Added Tax (Agricultural Intervention Agency) Order, 2001 (S.I. No. 11 of 2001).',

and

(*c*) by the substitution in paragraph (*f*) of subsection (4) (inserted by the Act of 2000) of 'shall' for 'may'.".

—An tAire Airgeadais.

[*Acceptance of this amendment involves the deletion of section 172 of the Bill.*]

SECTION 180

119. In page 222, line 25, to delete "fourteen" and substitute "30".

—Derek McDowell.

SECTION 185

120. In page 224, before section 185, but in Part 5, to insert the following new section:

"Amendment of section 21 of Principal Act.

185.—Section 21(3) of the Principal Act is hereby amended by the insertion after 'assessment,' of 'or such longer period as the Commissioners may allow,'.".

—Derek McDowell.

SECTION 188

121. In page 224, lines 19 to 23, to delete subsections (1) and (2), and substitute the following:

"(1) Section 79 of the Principal Act is amended—

(*a*) in subsection (7) by the substitution in paragraph (*b*) of 'subsections (3) and (4)' for 'subsection (3)', and

(*b*) in subsection (5) by the substitution in paragraph (*a*) of 'subsections (3) and (4)' for 'subsection (3)'.

SECTION 188—*continued.*

(2) (*a*) *Subsection (1)(a)* shall apply and have effect in relation to instruments executed on or after 15 February 2001.

(*b*) *Subsection (1)(b)* shall apply and have effect in relation to instruments executed on or after 6 March 2001.".

—An tAire Airgeadais.

SECTION 189

122. In page 224, before section 189, to insert the following new section:

"Dublin Docklands Development Authority.

189.—(1) The Principal Act is amended by the substitution of the following for section 99:

'99—(1) In this section "wholly-owned subsidiary" has the meaning assigned to it by section 9 of the Taxes Consolidation Act, 1997 (as amended by the *Finance Act, 2001*).

(2) Stamp Duty shall not be chargeable on any instrument under which any land, easement, way-leave, water right or any right over or in respect of the land or water is acquired by the Dublin Docklands Development Authority or any of its wholly-owned subsidiaries.'.".

—An tAire Airgeadais.

SECTION 192

123. In page 228, before section 192, to insert the following new section:

"Amendment of Chapter 2 of Part 7 of Principal Act.

192.—(1) Chapter 2 of Part 7 of the Principal Act is amended by the insertion of the following section after section 92B:

'Residential property investor relief.

92C.—(1) The amount of stamp duty chargeable under or by reference to paragraphs (1) to (6) of the heading "CONVEYANCE or TRANSFER on sale of any property other than stocks or marketable securities or a policy of insurance or a policy of life insurance" or clauses (i) to (vi) of paragraph (3)(*a*) of the heading "LEASE", as the case may be, in Schedule 1 on any instrument to which this section applies shall be reduced where—

(*a*) paragraph (1) or (2) or clause (i) or (ii) applies, to an amount equal to three-ninths,

(*b*) paragraph (3) or clause (iii) applies, to an amount equal to four-ninths,

(*c*) paragraph (4) or clause (iv) applies, to an amount equal to five-ninths,

(*d*) paragraph (5) or clause (v) applies, to an amount equal to six-ninths,

(*e*) paragraph (6) or clause (vi) applies, to an amount equal to seven and one half-ninths,

of the amount which would otherwise have been chargeable but where the amount so obtained is a fraction of £1 that amount shall be rounded up to the nearest £.

(2) This section shall apply to any instrument which contains a statement, in such form as the Commissioners may specify, certifying that the instrument—

(*a*) is one to which section 29 or 53 applies, or

(*b*) gives effect to the purchase of a dwellinghouse or apartment on the erection of that dwellinghouse or apartment and that section 29 or 53 do not apply.'.

(2) Subsection (1) shall have effect as respects instruments executed on or after 27 February 2001 subject to the substitution in subsection (1) of section 92C (inserted by *subsection (1)*) of 'down to nearest €' for 'up to the nearest £', for instruments executed on or after 1 January 2002.".

—An tAire Airgeadais.

SECTION 197

124. In page 230, before section 197, but in Part 6, to insert the following new section:

"Amendment of Second Schedule to Principal Act.

197.—(1) The Second Schedule to the Principal Act is hereby amended by the substitution of the following paragraph for paragraph 3:

'3. Subject to the provisions of paragraph 6, the tax chargeable on the taxable value of a taxable gift of a taxable inheritance taken by a donee or successor shall be of an amount equal to the amount by which the tax computed at the rate or rates of tax applicable under the Table, on the aggregate of—

(*a*) that taxable value, and

(*b*) the taxable values of all taxable gifts and taxable inheritances (if any) taken previously by that donee or successor within the period of 12 years ending on the date of the gift or the date of the inheritance;

exceeds the tax, computed at the rate or rates applicable under the Table on the aggregate of the taxable values of all taxable gifts and taxable inheritances previously so taken included at subparagraph (*b*) of this paragraph;

Provided that the tax so chargeable on the taxable value of a taxable gift or taxable inheritance shall not exceed an amount equal to the tax computed at the rate or rates applicable under the Table to such part of the aggregate of the values referred to in subparagraphs (*a*) and (*b*) of this paragraph as is the highest part of that aggregate and is equal to that taxable value.

(2) This section shall not operate so as to increase the liability to tax of any person and where but for this section a person would be liable to a lower amount of tax he or she shall be charged tax at that lower amount.'.".

—Derek McDowell.

125. In page 230, before section 197, but in Part 6, to insert the following new section:

"Amendment of section 53 of Principal Act.

230.—Section 53(1) of the Principal Act is hereby amended by the insertion after 'taxable gifts' of 'or taxable inheritances'.".

—Derek McDowell.

SECTION 198

126. In page 230, before section 198, to insert the following new section:

"Long-term care.

198.—The Principal Act is amended by the insertion of the following new section:

'Long-term care.

18A.—Where an individual elects to participate in a scheme regulated by the Minister for Health and Children which provides for the long-term care of the individual, any inheritance arising on the death of the individual may be subject to an additional charge to taxation determined in accordance with the regulations prevailing when the election to participate was originally made.'.".

—Jim Mitchell, Paul McGrath.

SECTION 205

127. In page 232, lines 32 and 33, to delete subsection (2) and substitute the following:

"(2) In relation to any unit of an investment undertaking comprised in a gift or an inheritance, section 85(2)(ii) (inserted by *subsection (1)*) of the Finance Act, 1989, shall, notwithstanding that the disponer was domiciled or ordinarily resident in the State at the date of the disposition, be treated as satisfied where—

(*a*) the proper law of the disposition was not the law of the State at the date of the disposition, and

(*b*) the unit came into the beneficial ownership of the disponer or became subject to the disposition prior to 15 February 2001.

(3) This section shall have effect in relation to units of an investment undertaking comprised in a gift or an inheritance where the date of the gift or the date of the inheritance is on or after 1 April 2000.

(4) This section shall have effect in relation to units of a specified collective investment undertaking comprised in a gift or an inheritance where the date of the gift or the date of the inheritance is on or after 15 February 2001 and the units—

(*a*) come into the beneficial ownership of the disponer on or after 15 February 2001, or

(*b*) become subject to the disposition on or after that date without having been previously in the beneficial ownership of the disponer.".

—An tAire Airgeadais.

SECTION 207

128. In page 233, lines 6 and 7, to delete subsection (2), and substitute the following:

"(2) This section shall have effect in relation to a policy comprised in a gift or an inheritance where the date of the gift or the date of the inheritance is on or after 15 February 2001 and the policy—

(*a*) comes into the beneficial ownership of the disponer on or after 15 February 2001, or

(*b*) becomes subject to the disposition on or after that date without having been previously in the beneficial ownership of the disponer.".

—An tAire Airgeadais.

SECTION 211

129. In page 234, before section 211, but in Part 7, to insert the following new section:

"Abolition of anti-speculative property tax.

211.—Anti-speculative property tax shall not be charged, levied or paid under section 6 of the Finance (No. 2) Act, 2000, by reference to any valuation date (within the meaning of section 5(1) of that Act) occurring on or after 6 April 2001.".

—An tAire Airgeadais.

[*Acceptance of this amendment involves the deletion of section 211 of the Bill*]

SECTION 212

Section proposed to be deleted.

—An tAire Airgeadais.

SECTION 213

130. In page 235, paragraph (*b*), line 16, after "High Court" to insert "or Circuit Court".

—Derek McDowell.

Section proposed to be deleted.

—An tAire Airgeadais.

SECTION 214

131. In page 235, before section 214, but in Part 8, to insert the following new section:

"Amendment of section 944A of Principal Act.

214.—Section 944A of the Principal Act (inserted by section 134(1)(*a*) of the Finance Act, 1998) is hereby amended by the deletion of 'may make arrangements for the publication of reports of such of their determinations as they consider appropriate,' and the substitution of 'shall make arrangements for the publication of reports of their determinations,'.".

—Derek McDowell.

SECTION 215

132. In page 235, before section 215, to insert the following new section:

"National Trust Property.

215.—(1) In this section—

'Acts' means the Tax Acts (that is the Income Tax Acts and the Corporation Tax Acts, (other than those provisions which provide for tax collected under the PAYE tax deduction system and relevant contracts tax), the Capital Gains Tax Acts and the Capital Acquisitions Tax Act, 1976 (including enactments amending or extending that Act)). In addition any instrument (for example, a regulation or order) made under any of these Acts is included in this definition;

'approved body' means An Taisce - the National Trust for Ireland;

'arrears of tax' means tax (including interest and penalties) which at the same time the gift is made is unpaid—

(i) in the case of income tax, corporation tax and capital gains tax for the relevant period, and

(ii) in the case of gift tax and inheritance tax, before the calendar year in which the relevant gift is made;

'current liability' means, in relation to—

(*a*) income tax and capital gains tax, a tax due in the year of assessment in which the gift is made,

(*b*) corporation tax, a liability arising in the accounting period in which the gift is made, and

(*c*) gift or inheritance tax, tax owed for the calendar year in which the gift was made;

'approval of status as National Trust Property' means approval by the Minister for Arts, Heritage, Gaeltacht and the Islands or another appropriate agency nominated by the Minister for Arts, Heritage, Gaeltacht and the Islands;

'approved National Trust Property' means buildings or lands—

(*a*) of special, architectural, historical, archaeological, artistic, cultural, scientific, social, technical, natural or landscape interest, and

(*b*) the donation of which to An Taisce - The National Trust - is determined by the Minister for Arts, Heritage, Gaeltacht and the Islands to be in the public interest in all the circumstances.

(2) Acceptance of an approved National Trust Property by An Taisce, the National Trust for Ireland, by a donor under this provision shall be subject to the property being held by An Taisce in trust for the people of Ireland. In the event of An Taisce being dissolved, all property transferred to An Taisce under this provision shall revert to the State, either to be vested in the State or another appropriate body to be determined by the Minister for Arts, Heritage, Gaeltacht and the Islands.

(3)(*a*) The market value of any property shall be the price which, in the opinion of the Revenue Commissioners, the property would fetch on the open market on the valuation date (namely, the date of application to the Minister or agency for a determination).

(*b*) The Revenue Commissioners may ascertain the value in such manner and by such means as they think fit and for this purpose they may engage a person to inspect and value the item for them.

(4) Once a relevant property is transferred to An Taisce - The National Trust for Ireland - An Taisce shall issue a certificate to the person who transferred the property certifying the receipt of the relevant property and the transfer of the property to An Taisce. A duplicate of the certificate must be transmitted by An Taisce to the Revenue Commissioners.

(5)(*a*) Where a person makes a relevant property disposal the person is, on submission to the Revenue Commissioners of the certificate by the designated officer of An Taisce, treated as having made on the date of the submission a payment on account of tax equal to the market value of the relevant property on the valuation date.

(*b*) The payment on account of tax is to be set so far as it is possible:

(i) firstly against arrears of tax (including interest and penalties) and for an earlier period in priority to a later period; and

(ii) then, against any current liability to tax which the person nominates.

(*c*) For the purpose of determining whether a period is an earlier or later period, the date on which arrears of tax became due decides whether it is for an earlier or later period.

(*d*) The remaining balance is set off against such future liabilities to tax of the person who is treated as having made the payment as that person nominates.

(*e*) A person who has the power to sell an approved National Trust Property in order to pay capital acquisitions tax may make a relevant gift of that property in or towards satisfaction of that tax.

(6) There shall be no entitlement to a refund of tax in respect of a payment on account of tax made under this section.

(7) Interest shall not be payable should it be due, whether directly or indirectly, because of any set-off which arises in respect of a payment on account of tax.

(8) A person discharging tax by virtue of this section shall not be entitled to any other relief in respect of the gift.

(9) The Revenue Commissioners shall include the details of all gifts made in a calendar year under this section in the publication of their annual report to the Minister for Finance.".

—Dinny McGinley, Jim Mitchell.

SECTION 223

133. In page 249, subsection (2), lines 24 to 26, to delete paragraph (*j*).

—An tAire Airgeadais.

SCHEDULE 1

134. In page 265, to delete lines 23 to 28 and substitute the following:

"(*b*) For the purposes of paragraph (*a*), no account shall be taken of—

(i) any Carer's Benefit payable under Chapter 11A (inserted by the Social Welfare Act, 2000) of Part II of the Social Welfare (Consolidation) Act, 1993, or

(ii) any Carer's Allowance payable under Chapter 10 of Part III of that Act.".

—An tAire Airgeadais.

SCHEDULE 2

135. In page 278, line 4, to delete "subsection (4B)" and substitute "paragraph (*b*)".

—An tAire Airgeadais.

136. In page 278, line 15, to delete "section 258" and substitute "this section".

—An tAire Airgeadais.

137. In page 278, line 18, to delete "section 258" and substitute "this section".

—An tAire Airgeadais.

138. In page 280, to delete lines 6 to 12.

—Jimmy Deenihan, Jim Mitchell.

SCHEDULE 5

139. In page 292, to delete lines 4 to 6, and substitute the following:

"*Income tax, corporation tax, capital gains tax, provisions in the Inland Revenue Regulation Act, 1890 and the Taxes Consolidation Act, 1997 applying also to other taxes and duties, and related matters*".

—An tAire Airgeadais.

140. In page 292, between lines 9 and 10, to insert the following:

"Inland Revenue Regulation Act, 1890 (53 & 54 Vict. c.21) (as amended):		
section 10(1)	five hundred pounds	€630
section 10(2)	five hundred pounds	€630
section 11	one hundred pounds	€125
section 25(2)	one hundred pounds	€125
section 32	fifty pounds	€65

".

—An tAire Airgeadais.

141. In page 301, to delete lines 18 and 19.

—An tAire Airgeadais.

142. In page 301, line 32, to delete "(Vict." and substitute "Vict.".

—An tAire Airgeadais.

143. In page 302, to delete lines 41 to 44.

—An tAire Airgeadais.

144. In page 303, line 4, to delete "1998" and substitute "1988".

—An tAire Airgeadais.

145. In page 303, between lines 9 and 10, to insert the following:

"

Finance Act, 1997 (No. 22 of 1997):		
section 89	£10,000	€12,695

".

—An tAire Airgeadais.

146. In page 303, line 11, to delete "Regulations", and substitute "Regulations,".

—An tAire Airgeadais.

147. In page 303, line 21, to delete "Regulations", and substitute "Regulations,".

—An tAire Airgeadais.

148. In page 308, between lines 31 and 32, to insert the following:

"

section 43(2)(*a*)	£5	€7

".

—An tAire Airgeadais.

149. In page 309, between lines 38 and 39, to insert the following:

"

section 120(2)(*d*)(ii)	£5	€7

".

—An tAire Airgeadais.

150. In page 311, between lines 24 and 25, to insert the following:

"

section 98(1)	£4.40	€5.58
section 99(1)	£17.90	€22.72

".

—An tAire Airgeadais.

151. In page 311, between lines 33 and 34, to insert the following:

"

Schedule 2	£256.14	€325.23

".

—An tAire Airgeadais.

152. In page 312, between lines 6 and 7, to insert the following:

"

section 141(2)(a)	£361.36	€458.83
section 141(2)(a)	£274.44	€348.46
section 141(2)(a)	£357.22	€453.57
section 141(2)(a)	£180.68	€229.41
section 141(2)(a)	£196.14	€249.04
section 141(2)(a)	£256.14	€325.23
section 141(2)(a)	£25.00	€31.74
section 141(2)(a)	£10.60	€13.45
section 141(2)(a)	£37.30	€47.36
section 141(2)(a)	£41.75	€53.01
section 141(2)(a)	£14.30	€18.15
section 141(2)(a)	£196.14	€249.04
section 141(2)(a)	£37.30	€47.36

".

—An tAire Airgeadais.

153. In page 313, between lines 21 and 22, to insert the following:

“

section 27(4A)	£500	€630

”.

—An tAire Airgeadais.

154. In page 320, to delete lines 1 to 13.

—An tAire Airgeadais.