



DÁIL ÉIREANN

AN BILLE AIRGEADAIS 2006 FINANCE BILL 2006

LEASUITHE COISTE COMMITTEE AMENDMENTS

DÁIL ÉIREANN

AN BILLE AIRGEADAIS 2006 —ROGHCHOISTE

FINANCE BILL 2006 —SELECT COMMITTEE

Leasuithe Amendments

SECTION 1

1. In page 9, before section 1, to insert the following new section:

“Taxpayers’
advocate office.

1.—The Ombudsman shall include in her annual report a special report on the overpayment of tax by PAYE taxpayers, and on the take up of credits by such taxpayers, and the branch of her office dedicated to ensuring that the take up of credits is readily available to all taxpayers, and refunds made as rapidly as possible where this arises, shall be known as the taxpayers’ advocate office.”

—Joan Burton.

2. In page 9, before section 1, to insert the following new section:

“Increase of
exemptions etc. in
line with inflation.

1.—The tax bands, exemption limits and tax credits relating to income tax set out in the Finance Acts are hereby increased by such rate as would maintain the real value of those bands, limits and credits in terms of changes in the cost of living since 2003.”

—Joan Burton.

3. In page 9, before section 1, to insert the following new section:

“Commission on
Taxation.

1.—The Minister shall as soon as may be after the passing of this Act establish a commission on taxation to inquire into the fairness and equity of the overall tax system and to provide for the evaluation of tax breaks and other provisions permitting tax payers to mitigate their tax liabilities and the impact in particular of provisions for exemption from tax and residency rules and shall publish at regular intervals the outcome of their enquiries into the tax system.”

—Joan Burton.

4. In page 9, before section 1, to insert the following new section:

[SECTION 1]

“1.—The tax bands, exemption limits and tax credits relating to income tax set out in the Finance Act 2005 are hereby increased by such rate as would maintain the real value of those bands, limits and credits in terms of changes in the cost of living since 2004.”.

—Caoimhghín Ó Caoláin.

5. In page 9, before section 1, to insert the following new section:

“1.—The Minister shall, upon the passing of this Act, undertake a comprehensive and thorough review of the taxation system, including income tax, corporation tax, capital gains tax, tax exemptions and all other relevant matters with a view to ensuring greater equity within the system itself and to deriving the maximum social and economic benefit from the taxation system. This review shall be conducted in an open, transparent and accountable manner and the Minister shall take measures, as he sees fit, to maximise public participation. The review shall be completed within one year from the passing of this Act.”.

—Caoimhghín Ó Caoláin.

6. In page 9, before section 1, to insert the following new section:

“Commission on Site Value Taxation.

1.—The Minister shall as soon as may be after the passing of this Act establish a commission to examine the benefits establishing a system of Site Value Taxation in place of commercial rates.”.

—Catherine Murphy.

7. In page 9, before section 1, to insert the following new section:

“Report on Kyoto obligations.

1.—The Minister shall, within six months of the passing of this Act, report to the Oireachtas on the fiscal measures that he intends to take in order that Ireland meet its obligations under the Kyoto Protocol.”.

—Catherine Murphy.

8. In page 9, between lines 17 and 18, to insert the following subsection:

“(2) In this Part “tax cost” of a relief is defined to be the next Present Value of revenue foregone plus the cost of administration; the benefit of a tax relief is the Net Present Value sum of—

- (a) the value of underutilised resources brought into active use by the relief,
- (b) the value of the social benefits derived from additional activity induced by the relief which are not captured by market value.”.

—Richard Bruton.

9. In page 9, between lines 17 and 18, to insert the following subsection:

[SECTION 1]

“(2) Prior to the publication of the Finance Bill the Minister shall publish a review of the tax cost and the benefit of tax exemptions, capital allowances and investment incentives in respect of the most recent year for which data is available.”.

—Richard Bruton.

SECTION 2

- 10.** In page 9, before section 2, but in Chapter 2, to insert the following new section:

“Commission on Refundable Tax Credits.

2.—The Minister shall as soon as may be after the passing of this Act establish a commission to examine the potential benefits and costs of a phased introduction of a system of refundable tax credits in the period of 2008-2013.”.

—Catherine Murphy.

- 11.** In page 9, before section 2, but in Chapter 2, to insert the following new section:

“2.—The Taxes Consolidation Act 1997 is amended by the insertion of a new section 468A:

“468A.—(1) In this section—

‘the consumer price index number’ means the All Items Consumer Price Index Number compiled by the Central Statistics Office;

‘the consumer price index number relevant to any year of assessment’ means the consumer price index number at the mid-September before the commencement of that year expressed on the basis that the consumer price index at mid-September 2002 was 100.

(2) For the purpose of computing the amount of any tax credit or allowance in sections 461, 461A, 462, 462A, 463, 464, 465, 466, 466A, 467 and 468 to a person each sum referred to as a tax credit or allowance shall be adjusted by the higher of either—

(a) such sum as shall be prescribed by law, or

(b) such sum as to which it shall be adjusted by multiplying it by the figure (in this section referred to as ‘the multiplier’).

(3) (a) The Revenue Commissioners shall make regulations specifying the multiplier and shall make corresponding regulations in each subsequent year of assessment.

(b) The ‘multiplier’, in the year of assessment 2004, or any subsequent year of assessment, shall be the quotient, rounded up to 3 decimal places, obtainable by dividing the consumer price index relevant to the year of assessment by the consumer price index number relevant to the immediately preceding year of assessment.”.

—Richard Bruton.

[SECTION 2]

12. In page 9, line 31, in column (1), to delete “€32,000” and substitute “€34,000”.

—Richard Bruton.

13. In page 10, line 5, in column (1), to delete “€36,000” and substitute “€38,000”.

—Richard Bruton.

14. In page 10, line 11, in column (1), to delete “€41,000” and substitute “€46,000”.

—Richard Bruton.

SECTION 3

15. In page 10, before section 3, to insert the following new section:

“3.—Section 466A of the Taxes Consolidation Act 1997 is amended by the substitution of the following for subsection (2):

“(2) Where in any year of assessment an individual proves that he or she is a qualifying claimant he or she shall be entitled to a tax credit (to be known as the ‘home carer tax credit’) of a sum equal to the higher of the amount specified in section 472 of this Act.”.

—Richard Bruton.

SECTION 4

16. In page 11, before section 4, to insert the following new section:

“Private nursing homes.

4.—The Minister shall review tax relief arrangements for private nursing homes to determine their compatibility with health criteria and in particular health and welfare related criteria regarding the size and location of facilities.”.

—Joan Burton.

17. In page 11, before section 4, to insert the following new section:

“Allowable deductions.

4.—No deduction, allowance or relief that would, but for this section, be allowed or available in computing profits or gains arising from rental income or in assessing liability to tax on that income shall be allowed or made available to a landlord of a tenancy, within the meaning of the Residential Tenancies Act 2004 and to which Part 7 of that Act applies, who has failed to comply with the requirements of that Part.”.

—Joan Burton.

[SECTION 4]

18. In page 11, before section 4, to insert the following new section:

“Rent.

4.—Where a person avails of tax relief relating to income including or consisting of rental income pursuant to the Principal Act, he or she shall furnish to the Commissioners sufficient information to demonstrate that he or she has complied with any requirement of the law regarding registration as a landlord.”.

—Joan Burton.

19. In page 11, before section 4, to insert the following new section:

“Childcare services relief — Social Insurance registration.

4.—A person who benefits from the relief on childcare services by virtue of section 216C of the Principal Act as inserted by this Part shall nonetheless be fully registered for PRSI.”.

—Joan Burton.

20. In page 11, before section 4, to insert the following new section:

“Restriction of benefit in kind.

4.—Where an employer provides a childcare facility directly an employee, or pays the childcare costs of an employee to a third party, the provision or payment shall not constitute a taxable benefit in kind.”.

—Joan Burton.

SECTION 8

21. In page 12, before section 8, to insert the following new section:

“8.—The Principal Act is amended by the insertion of the following new section 15A.

“15A.—(1) In any year of assessment where monies are paid to any state or other body in respect of which the individual making such payments would be entitled to a tax credit or an allowance for income tax the Minister for Finance may direct that such state or other body shall make a return of such payments made by such persons in such format and shall be determined by regulations as shall be made by the Minister for Finance to enable a tax credit or deduction to be made or allowed.

(2) In respect of any such information provided to the Offices of the Revenue Commissioners no liability shall attach to the Office of the Revenue Commissioners or otherwise for failing to provide such tax credit or allowance to the person who made the payment.”.

—Richard Bruton.

22. In page 12, lines 28 to 30, to delete all words from and including “the” in line 28 down to and including “(a)” in line 30.

—Richard Bruton.

[SECTION 8]

23. In page 12, to delete lines 33 to 38.

—Richard Bruton.

24. In page 14, between lines 4 and 5, to insert the following:

“(8) The Minister shall undertake a review of the operation of the foregoing section in the context of a comprehensive assessment of the case for abolishing local authority refuse charges and reversing the privatisation of local authority services.””.

—Caoimhghín Ó Caoláin.

SECTION 10

25. In page 14, subsection (1), to delete line 33.

—An tAire Airgeadais.

SECTION 12

26. In page 16, before section 12, to insert the following new section:

“12.—The Principal Act is amended by the insertion of the following new section 657B:

“657B.—(1) In this section—

‘relevant individual’ means an individual who is in receipt of—

- (a) a relevant payment or relevant payments, and
- (b) a payment under the EU Single Payment Scheme operated by the Department of Agriculture and Food under Council Regulation No. 1782/2003 of 29 September 2003, in respect of both of which the individual would be, apart from this section, chargeable to income tax on the profits or gains from farming for the year of assessment 2006, but does not include an individual who in the year of assessment 2006 is chargeable to income tax in respect of profits or gains from farming in accordance with subsection (5) of section 657;

‘relevant payment’ means a payment made at any time in the calendar year 2006 to an individual under the EU Single Payment Scheme operated by the Department of Agriculture and Food under Council Regulation No. 1782/2003 of 29 September 2003.

(2) A relevant individual may elect to have the aggregate of all relevant payments made to the individual treated in accordance with subsections (3) to (6), and each such election shall be made in such form and contain such information as the Revenue Commissioners may require.

[SECTION 12]

(3) Notwithstanding any other provision of the Income Tax Acts apart from subsection (4), where an individual elects in accordance with subsection (2), the relevant payment or relevant payments shall be disregarded as respects the year of assessment 2006 and shall instead be treated for the purposes of the Income Tax Acts as arising in equal instalments in the year of assessment 2006 and in the 2 immediately succeeding years of assessment.

(4) Where a trade of farming is permanently discontinued, tax shall be charged under Case IV of Schedule D for the year of assessment in which such discontinuation takes place in respect of the amount of any relevant payment which would, but for such discontinuance, be treated by virtue of subsection (3) as arising in a year of assessment or years of assessment ending after such discontinuance.

(5) An election under subsection (2) by a person to whom this section applies, shall be made by notice in writing on or before 31 October 2007 and shall be included in the annual statement required to be delivered on or before that date under the Income Tax Acts of the profits or gains from farming for the year of assessment 2006.

(6) Subject to subsection (4) an election made under subsection (2) cannot be altered or varied during the period to which it refers.”.”

—Richard Bruton.

SECTION 13

27. In page 18, between lines 33 and 34, to insert the following subsection:

“(6) The Minister shall, within six months of the passing of this Act, report to the Oireachtas on the costs and benefits of raising the individual’s limit to €15,000; €20,000; €25,000; €30,000 and €35,000.”.

—Catherine Murphy.

28. In page 18, between lines 39 and 40, to insert the following subsection:

“(8) Persons qualifying for relief under this section shall be entitled to register as self-employed, to make PRSI contributions and to benefit therefrom.”.

—Caoimhghín Ó Caoláin.

SECTION 14

29. In page 18, before section 14, to insert the following new section:

14.—The Principal Act is amended in section 462—

(a) in subsection (1), by the deletion of paragraph (b), and

(b) in subsection (2), by inserting the words “unless in the latter case, one or other does not have a taxable income” after the word “wife” at the end of the subsection.”.

“Amendment of section 462 (one-parent family tax allowances for single-earner families).

—Richard Bruton.

- 30.** In page 18, before section 14, to insert the following new section:

“Amendment of section 469 (removal of deductible in respect of medical relief).

14.—The Principal Act is amended in section 469—

(a) in subsection (1), in the definition of “health care”, by deleting the words “but does not include routine ophthalmic treatment or routine dental treatment”, and

(b) in subsection (2), by the deletion of that subsection and substitution with the following:

“(2) Subject to this section, where an individual for a year of assessment proves that, in the year of assessment, he or she defrayed health expenses incurred for the provision of health care for any qualified person, the individual shall be entitled, for the purpose of ascertaining the amount of the income on which he or she is to be charged to income tax, to have a deduction of the amount made from his or her total income.”.

—Richard Bruton.

- 31.** In page 18, before section 14, to insert the following new section:

“Amendment to section 779 (relief for pension contributions).

14.—A person, none of whose taxable income is chargeable at the higher rate, who makes a pension contribution within the limit set out in section 779 of the Tax Consolidation Act of 1997, shall be entitled to receive a tax credit contributed to the pension scheme equivalent to relief at the higher rate.”.

—Richard Bruton.

- 32.** In page 20, subsection (1)(b)(ii), to delete lines 32 to 35.

—An tAire Airgeadais.

- 33.** In page 23, lines 11 to 14, to delete all words from and including “or,” in line 11 down to and including “funds” in line 14.

—An tAire Airgeadais.

- 34.** In page 28, line 40, to delete “and”.

—An tAire Airgeadais.

- 35.** In page 28, line 42, to delete “section 787A(1),” and substitute “section 787A (1), and”.

—An tAire Airgeadais.

[SECTION 14]

36. In page 28, between lines 42 and 43, to insert the following:

“(d) an administrator of a relevant pension arrangement of a kind described in paragraphs (e) and (f) of the definition of relevant pension arrangement, as may be specified by regulations under section 787U;”.

—An tAire Airgeadais.

37. In page 30, between lines 51 and 52, to insert the following:

“‘excepted circumstances’ means circumstances such that the increase in the annual amount of pension in payment to the individual is directly related to an increase in the rate of remuneration of all persons or of a class of persons employed in the sector in which the individual was employed and in respect of which employment the individual is entitled to the pension under the relevant pension arrangement;”.

—An tAire Airgeadais.

38. In page 33, line 2, to delete “€5,000,000” and substitute “€1,000,000”.

—Caoimhghín Ó Caoláin.

39. In page 36, line 26, to delete “the current event” and substitute “the ‘current event’”.

—An tAire Airgeadais.

40. In page 36, line 54, to delete “Schedule 23” and substitute “Schedule 23B”.

—An tAire Airgeadais.

41. In page 37, between lines 23 and 24, to insert the following subsection:

“(6) Where the administrator of a relevant pension arrangement, of a kind described in paragraphs (e) and (f) of the definition of relevant pension arrangement in section 787O(1), pays an amount of tax arising on a chargeable excess in accordance with section 787S(3), then—

(a) the amount of tax so paid shall be a debt due to the administrator from the individual or, where the individual is deceased, from his or her estate, and

(b) the administrator may appropriate all or part of the individual’s entitlements under that relevant pension arrangement, and the individual shall allow such appropriation, for the purposes of reimbursing the administrator in respect of the tax so paid.”.

—An tAire Airgeadais.

42. In page 37, to delete lines 24 to 33 and substitute the following:

[SECTION 14]

“Liability to tax and rate of tax on chargeable excess.

787R.—(1) Without prejudice to any other provisions of the Tax Acts including, in particular, any other provision of those Acts relating to a charge to tax—

(a) the whole of the amount of a chargeable excess calculated in accordance with section 787Q, without any relief or reduction specified in the Table to section 458 or any other deduction from that amount, shall be chargeable to income tax under Case IV of Schedule D at the rate of 42 per cent, and

(b) sections 187 and 188 shall not apply as regards income tax so charged.”.

—An tAire Airgeadais.

43. In page 38, to delete lines 7 to 20 and substitute the following:

“(4) Where a benefit crystallisation event is due to occur (in this subsection referred to as the ‘future event’) in relation to an individual under a relevant pension arrangement on or after the date of the passing of the *Finance Act 2006*, the administrator of that arrangement may request the individual to make, before the date of the future event, a declaration in writing to the administrator, in such form as may be prescribed or authorised by the Revenue Commissioners for that purpose, which contains—”.

—An tAire Airgeadais.

44. In page 38, between lines 31 and 32, to insert the following:

“(c) in respect of a benefit crystallisation event or benefit crystallisation events that is or are due to occur from the date of the declaration made by the individual under this subsection up to and including the date of the future event—

(i) the expected date of each such event, and

(ii) the estimated amount to be crystallised by each such event,”.

—An tAire Airgeadais.

45. In page 38, line 32, to delete “(c)” and substitute “(d)”.

—An tAire Airgeadais.

46. In page 38, line 38, to delete “(d)” and substitute “(e)”.

—An tAire Airgeadais.

47. In page 38, between lines 41 and 42, to insert the following subsection:

“(5) Where an individual has been requested to provide a declaration in writing to the administrator of a relevant pension arrangement in accordance with subsection (4) and fails to provide that declaration, the administrator may—

[SECTION 14]

(a) where the benefit crystallisation event is an event of a kind described at subparagraph (a) or (d) of paragraph 2 of Schedule 23B, withhold the payment of any benefit or, as the case may be, any increased annual amount of pension, and

(b) where the benefit crystallisation event is an event of a kind described at subparagraph (b) or (c) of paragraph 2 of Schedule 23B, refuse to transfer an amount to the person, or any of the funds referred to in the said subparagraph (b) or, as the case may be, make a payment or transfer to an overseas arrangement,

until such time as a declaration in writing containing the information specified in paragraphs (a) to (e) of subsection (4) is provided to the administrator, in such form as may be prescribed or authorised by the Revenue Commissioners for the purposes of that subsection.”.

—An tAire Airgeadais.

48. In page 38, line 42, to delete “(5)” and substitute “(6)”.

—An tAire Airgeadais.

49. In page 39, line 2, to delete “subsection (4)” and substitute “subsections (4) and (5)”.

—An tAire Airgeadais.

50. In page 39, lines 47 and 48, to delete “14 days” and substitute “3 months”.

—An tAire Airgeadais.

51. In page 43, line 2, to delete “0.0322” and substitute “0.0273”.

—An tAire Airgeadais.

52. In page 44, line 17, after “Chapter” to insert the following:

“, and without prejudice to the generality of the foregoing, regulations under this section may include provision for specifying, for the purposes of this Chapter, the person who shall be treated as the administrator of a relevant pension arrangement of a kind described in paragraphs (e) and (f) of the definition of relevant pension arrangement in section 787O(1)”.

—An tAire Airgeadais.

53. In page 50, lines 14 and 15, to delete “and to Chapter 2C”.

—An tAire Airgeadais.

54. In page 51, line 19, to delete ““Section 778O. SCHEDULE 23B” and substitute the following:

[SECTION 14]

“Part 30, Chapter 2C.

SCHEDULE 23B”.

—An tAire Airgeadais.

- 55.** In page 53, line 6, after “pension” to insert “, other than in excepted circumstances,”.

—An tAire Airgeadais.

SECTION 15

- 56.** In page 55, before section 15, to insert the following new section:

“Returns to be formatted so as to facilitate information regarding use of exemptions.

15.—The Minister shall by regulations determine the form of tax returns in such a way as to facilitate the compilation of statistics on the extent to which tax reliefs are availed of by taxpayers.”.

—Joan Burton.

- 57.** In page 55, before section 15, to insert the following new section:

“Travel benefit in kind.

15.—The provisions of the Principal Act regarding travel benefit in kind shall be extended to make provision for disregarding the benefit of monthly and quarterly tickets provided by an employer.”.

—Joan Burton.

- 58.** In page 55, before section 15, to insert the following new section:

“Failure by Employer to reimburse travel costs.

15.—Where an employee incurs travel costs in connection with his or her employment, which are not reimbursed by an employer, the employee may be afforded a relief on such travel costs against his or her liability to income tax in connection with the employment.”.

—Joan Burton.

- 59.** In page 55, before section 15, to insert the following new section:

“Donations to charities.

15.—The minimum threshold for deductible donations to charities is reduced from €250 to €100.”.

—Joan Burton.

SECTION 16

- 60.** In page 58, to delete lines 1 to 12 and substitute the following:

[SECTION 16]

“985E.—(1) (a) In this section ‘appropriate person’ means the person designated by the employer for the purposes of this section, and if no person is so designated, the employer.

(b) In this section any reference to a payment made by the employer includes a reference to a payment made by a person acting on behalf of the employer and at the expense of the employer or a person connected (within the meaning of section 10) with the employer.”.

—An tAire Airgeadais.

SECTION 17

61. In page 62, line 15, to delete “€250,000” and substitute “€150,000”.

—Richard Bruton.

62. In page 62, line 20, to delete “€500,000” and substitute “€300,000”.

—Richard Bruton.

63. In page 66, line 56, to delete “excess relief for the year” and substitute the following:

“excess relief for the year in which the balancing charge arises plus any excess relief carried forward to that year and not deducted or not fully deducted for that year”.

—An tAire Airgeadais.

64. In page 67, lines 18 and 19, to delete “excess relief for the year” and substitute the following:

“excess relief for the year plus any excess relief carried forward to that year and not deducted or not fully deducted for that year, before any reduction by reference to paragraph (a)(iii)”.

—An tAire Airgeadais.

65. In page 68, line 51, in column (3), to delete “for” and substitute “in”.

—An tAire Airgeadais.

66. In page 69, line 9, in column (3), to delete “for” and substitute “in”.

—An tAire Airgeadais.

67. In page 69, line 15, in column (3), to delete “for” and substitute “in”.

—An tAire Airgeadais.

[SECTION 17]

68. In page 69, line 19, in column (3), to delete “for” and substitute “in”.
—An tAire Airgeadais.

69. In page 84, in column (3), lines 51 to 54, to delete all words from and including “, including” in line 51 down to and including “year” in line 54.
—An tAire Airgeadais.

70. In page 85, line 66*, in column (3), to delete “for” and substitute “in”.
—An tAire Airgeadais.

*[*Note: A printing error has resulted in incorrect line references in page 85 of the Bill. The line references in this amendment relate to the actual number of lines of text contained in page 85 of the Bill.]*

71. In page 86, line 6, in column (3), to delete “for” and substitute “in”.
—An tAire Airgeadais.

SECTION 18

72. In page 86, before section 18, but in Chapter 2, to insert the following new section:

“Commission on the cap on tax relief. 18.—The Minister shall as soon as may be after the passing of this Act, establish a commission to examine, on an ongoing basis, the effects of the cap on tax relief, and to inform the Minister’s decisions with regard to amending this mechanism. The commission’s recommendations shall be published and put before the Minister for Finance in September 2006.”
—Catherine Murphy.

73. In page 86, before section 18, but in Chapter 2, to insert the following new section:

“Commission on tax residency rules. 18.—The Minister shall as soon as may be after the passing of this Act, establish a commission to examine the extant rules regarding tax residency and their effects. The commission’s recommendations shall be published and put before the Minister for Finance in September 2006.”
—Catherine Murphy.

74. In page 86, before section 18, but in Chapter 2, to insert the following new section:

“Tax relief for monthly travel passes. 18.—Tax relief may be extended in respect of all monthly travel passes related to travelling to and from work.”
—Catherine Murphy.

[SECTION 20]

SECTION 20

75. In page 87, before section 20, to insert the following new section:

“Amendment of the Capital Acquisitions Tax Consolidation Act 2003. 20.—Section 86 of the Capital Acquisitions Tax Consolidation Act 2003 is amended by the insertion of the following new subsections:

“(3A) Subject to subsections (5), (6) and (7), a sum not exceeding €75,000 comprised in a gift or inheritance which is taken by a donee or a successor—

(a) Where such as the whole or part of the taxable gift or inheritance will be invested in a dwelling house and such condition is complied with within two years after the date of the gift or the date of the inheritance then the gift or inheritance is deemed for the purposes of such section to have consisted—

(i) at the date of the gift or at the date of the inheritance of a dwelling house to the extent to which the gift or inheritance is subject to such conditions and has been invested,

(ii) is not at the date of the gift or at the date of the inheritance beneficially entitled to any other dwelling house or to any interest in any other dwelling house, and

(iii) continues to occupy the dwelling as that donee or successor’s only or main residence throughout the relevant period.

(b) In the event the gift or inheritance is for the purposes of the purchase of incorporeal hereditaments for the erection of a dwelling house the provision requiring the donee or successor to occupy the dwelling house as their only or main resident will commence on the date of completion or within two years of the date of the gift or inheritance whichever shall be the earlier is exempt from tax in relation to that gift or inheritance, and the value of such gift or inheritance is not to be taken into account in computing tax on any gift or inheritance to take by that person unless the exemption cease to apply under subsection (6) or (7).

(3B) Where the gift or inheritance referred to in subsection (3A) is incorporeal hereditaments the said incorporeal hereditaments shall, provided such incorporeal hereditaments do not exceed one hectare, be valued for valuation purposes at its current face value only provided however the relief will cease to apply the dwelling house (in a habitable condition as the Minister for Finance by regulation from time to time determines) is not erected within two years of the date of such gift or inheritance.”

—Richard Bruton.

76. In page 87, before section 20, to insert the following new section:

“20.—The Principal Act is amended in section 665 by the insertion of:

“669B.—(1) In this section—

[SECTION 20]

‘suckler cow quota’ means a quota entitlement issued by the Minister for Agriculture & Food to allow payment of an EU support to the owner of a cow with a calf born within the previous 12 months;

‘qualifying expenditure’ means the amount of capital expenditure incurred on the purchase of suckler cow quota on or before 1st January 2005;

‘writing-down period’ has the meaning assigned to it by section 669B(2).

(2) Where, a person incurs qualifying expenditure on the purchase of a suckler cow quota, there shall, be made to that person writing-down allowances during the writing-down period as specified in subsection (3); but no writing-down allowance shall be made to a person in respect of any qualifying expenditure unless the allowance is to be made to the person in taxing the person’s trade of farming.

(3) The writing-down period referred to in subsection (2) shall be 7 years commencing with the beginning of the chargeable period related to the qualifying expenditure.

(4) The writing-down allowances to be made during the writing-down period referred to in subsection (3) in respect of qualifying expenditure shall be determined by the formula:

$$\frac{A \times B}{C}$$

Where—

A is the amount of the capital expenditure incurred on the purchase of the suckler cow quota,

B is the length of the part of the chargeable period falling within the writing-down period, and

C is the length of the writing-down period.”.”

—Richard Bruton.

77. In page 88, line 8, to delete “€250” and substitute “€100”.

—Richard Bruton.

SECTION 22

78. In page 88, line 35, to delete “Chapter 1” and substitute “Chapter 3”.

—An tAire Airgeadais.

[SECTION 24]

SECTION 24

79. In page 89, before section 24, to insert the following new section:

“Amendment of section 817 (schemes to avoid liability to tax under Schedule F) of Principal Act

24.—(1) Section 817 of the Principal Act is amended by substituting the following for subsection (2):

“(2) This section shall apply for the purposes of counteracting any scheme or arrangement undertaken or arranged by a close company, or to which the close company is a party, being a scheme or arrangement the purpose of which, or one of the purposes of which, is to secure that any shareholder in the close company avoids or reduces a charge or assessment to income tax under Schedule F by directly or indirectly extracting, or enabling such extracting of, either or both money and money’s worth from the close company, for the benefit of the shareholder, without the close company paying a dividend, or (apart from subsection (4)) making a distribution, chargeable to tax under Schedule F.”

(2) This section applies and has effect as respects any disposal of shares (within the meaning of section 817 of the Principal Act) on or after 21 February 2006.”

—An tAire Airgeadais.

80. In page 89, before section 24, to insert the following new section:

“Amendment of the Principal Act (tax relief).

24.—The Taxes Consolidation Act 1997 is amended by the insertion of the following new section:

“5A.—(a) In this section ‘relief’ shall include any relief other than an amount however described which is excluded in the calculation of tax by a body corporate, partnership or individual in calculating tax.

(b) Every relief shall automatically lapse, despite any provision to the contrary in any section, after 5 years unless specifically renewed.

(c) Before any relief can be renewed the Minister shall cause to be presented to the Oireachtas a report detailing the numbers who availed of the relief, the total cost of the relief to the exchequer on a geographical breakdown by tax districts.”

—Richard Bruton.

Section opposed.

—Caoimhghín Ó Caoláin.

SECTION 25

81. In page 91, lines 34 and 35, to delete “31 July 2008” and substitute “31 December 2006”.

—Catherine Murphy.

82. In page 92, line 6, to delete “or”.

—An tAire Airgeadais.

83. In page 92, to delete line 8 and substitute the following:

“section 843, or

(i) is a qualifying residential unit within the meaning of section 268(3A).”.

—An tAire Airgeadais.

84. In page 92, to delete lines 22 to 24 and substitute the following:

“(a) in the case of expenditure incurred in—

(i) where subsection (4)(i) applies, the period from 25 March 2007 to 31 December 2007, and

(ii) in any other case, the period from 1 January 2007 to 31 December 2007,

to 75 per cent, and”.

—An tAire Airgeadais.

85. In page 93, line 43, to delete “(g) or (h)” and substitute “(g), (h) or (i)”.

—An tAire Airgeadais.

86. In page 93, to delete lines 46 to 49 and substitute the following:

“(a) (i) where section 270(4)(i) applies, the period from 1 January 2006 to 24 March 2007, and

(ii) in any other case, the period from 1 January 2006 to 31 December 2006,

(b) (i) where section 270(4)(i) applies, the period from 25 March 2007 to 31 December 2007, and

(ii) in any other case, the period from 1 January 2007 to 31 December 2007,

or”.

—An tAire Airgeadais.

SECTION 26

87. In page 94, lines 24 and 25, to delete “31 July 2008” and substitute “31 December 2006”.

—Catherine Murphy.

[SECTION 26]

88. In page 95, line 9, to delete “31 July 2008” and substitute “31 December 2006”.

—Catherine Murphy.

89. In page 95, line 44, to delete “31 July 2008” and substitute “31 December 2006”.

—Catherine Murphy.

Section opposed.

—Caoimhghín Ó Caoláin.

SECTION 28

Section opposed.

—Caoimhghín Ó Caoláin.

SECTION 29

Section opposed.

—Caoimhghín Ó Caoláin.

SECTION 30

Section opposed.

—Caoimhghín Ó Caoláin.

SECTION 31

Section opposed.

—Caoimhghín Ó Caoláin.

SECTION 32

Section opposed.

—Caoimhghín Ó Caoláin.

SECTION 33

90. In page 103, before section 33, to insert the following new section:

“Claim for relief regarding construction of premises.”

33.—Where a taxpayer claims relief based on the construction of any premises, he or she shall furnish to the Revenue Commissioners sufficient information to demonstrate that he or she or any relevant contractor is complying with any relevant requirement imposed by the Health and Safety Authority or by law in respect of the construction.”.

—Joan Burton.

91. In page 103, before section 33, to insert the following, new section:

[SECTION 33]

“Psychiatric
Hospitals, Mental
Health Centres.

33.—Prior to the commencement of sections 34 to 36 the Minister for Finance shall—

- (a) prepare and lay before both Houses of the Oireachtas a cost benefit analysis of the cost of the allowances provided by those sections,
- (b) an analysis, jointly prepared with the Minister for Health and Children, of the health policy implications of facilitating small and medium sized facilities as proposed by those sections,
- (c) an analysis of the implications of subjecting such allowances to periodic review,
- (d) an analysis of the implications of subjecting such allowances to a claw back provision where the facility fails to meet required healthcare standards.”.

—Joan Burton.

92. In page 103, before section 33, to insert the following new section:

“Capital Tax
Allowance on Fáilte
Ireland Registered
Parks.

33.—Pending a report from the Minister for Finance to both Houses of the Oireachtas on the matter, a caravan park approved by Fáilte Ireland and included in its register of approved caravan parks could be regarded as a holiday camp for capital allowance purposes.”.

—Joan Burton.

SECTION 34

93. In page 105, line 22, to delete “section 272(4)(ga)” and substitute “section 272(4)(ga)(i)”.

—An tAire Airgeadais.

94. In page 107, between lines 10 and 11, to insert the following subsection:

“(3) The Minister shall, within six months of the passing of this Act, conduct an assessment and report the findings of same to the Oireachtas regarding the medical and financial benefits derived from tax exemptions provided to both private sector hospitals and hospitals for the mentally ill.”.

—Catherine Murphy.

Section opposed.

—Caoimhghín Ó Caoláin.

SECTION 35

Section opposed.

—Caoimhghín Ó Caoláin, Catherine Murphy.

SECTION 36

[SECTION 36]

95. In page 111, between lines 10 and 11, to insert the following:

“(a) in section 268(3A) by substituting the following for paragraph (d):

“(d) (i) is leased to a person or persons who has or have been certified, by a person who is registered in the register established under section 26 of the Medical Practitioners Act 1978, as requiring such accommodation by reason of old age or infirmity, or

(ii) is leased to the registered nursing home on condition that it will be subsequently leased to a person or persons referred to in subparagraph (i) and which is subsequently used for no other purpose other than use by such person or persons.”,

(b) in section 268(3B), by substituting “the period commencing on 25 March 2002 and ending on 31 July 2008” for “the period of 5 years commencing on the date of the passing of the Finance Act 2002”,”.

—An tAire Airgeadais.

96. In page 111, line 20, to delete “1 August 2006” and substitute “1 February 2007”.

—Richard Bruton.

97. In page 111, lines 43 and 44, to delete “1 August 2006” and substitute “1 February 2007”.

—Richard Bruton.

Section opposed.

—Caoimhghín Ó Caoláin.

SECTION 37

98. In page 112, before section 37, to insert the following new section:

“37.—The Minister shall review tax relief arrangements for convalescent homes, registered nursing homes and qualifying residential units to determine their compatibility with health criteria and in particular health and welfare related criteria regarding the operation, size and location of facilities.”.

—Caoimhghín Ó Caoláin.

99. In page 113, between lines 9 and 10, to insert the following:

“(d) the Minister shall undertake a review of the operation of the foregoing section, including detailed consideration of the option of direct public expenditure on provision of childcare facilities as an alternative to tax incentives.”.

—Caoimhghín Ó Caoláin.

[SECTION 39]

SECTION 39

100. In page 115, line 9, to delete “so requires” and substitute “so requires for the purposes of Part 36B”.

—An tAire Airgeadais.

SECTION 40

101. In page 115, before section 40, to insert the following new section:

“Reports on pension provisions.

40.—(1) The Minister shall, within six months of the passing of this Act, report to the Oireachtas the past and potential future costs of tax relief on private pensions, and which income deciles and sectors of society have benefited and are benefiting from said relief.

(2) The Minister shall, within one year of the passing of this Act, report in detail to the Oireachtas on the effects of the pension-related provisions herein, and which income deciles and sectors of society have benefited and are benefiting from said provisions.”.

—Catherine Murphy.

102. In page 116, line 40 to delete “accordingly;” and substitute “accordingly.”.

—An tAire Airgeadais.

103. In page 116, to delete lines 41 to 43.

—An tAire Airgeadais.

104. In page 116, between lines 43 and 44, to insert the following:

“Implications for married couples.

848W.—The Minister may by regulations extend the provisions of this Part in circumstances where the restrictions contained in this Part have a disproportionate effect on single income married couples.”.

—Joan Burton.

105. In page 117, lines 26 to 28, to delete all words from and including “to” in line 26 down to and including “be,” in line 28 and substitute “, or”.

—An tAire Airgeadais.

106. In page 117, to delete lines 36 and 37 and substitute the following:

“in respect of the pension subscription other than in respect of the amount by which it exceeds €7,500, the tax credit in relation to the pension subscription or the additional tax credit, and”.

—An tAire Airgeadais.

[SECTION 40]

107. In page 118, to delete lines 37 to 39 and substitute the following:

“purposes in respect of the pension subscription other than in respect of the amount by which it exceeds €7,500, the tax credit in relation to the pension subscription or the additional tax credit, and”.

—An tAire Airgeadais.

108. In page 119, line 47, to delete “and”.

—An tAire Airgeadais.

109. In page 120, line 7, to delete “individual.” and substitute the following:

“individual, and

- (c) the pension subscription to the extent that it does not exceed €7,500 and the amount of those tax credits shall be disregarded for the purposes of any claim by the individual to relief under Chapters 1, 2, 2A and 2B of Part 30.”.

—An tAire Airgeadais.

SECTION 43

110. In page 127, to delete lines 9 to 13 and substitute the following:

“739B and the person so entrusted would, apart from this paragraph, have an obligation imposed by section 17 and Chapter 1 of Part 3, or Chapter 2 of Part 4 and this Schedule, to pay the income tax on such interest, dividends or other annual payments, that obligation shall not apply.”.

—An tAire Airgeadais.

SECTION 50

111. In page 136, before section 50, to insert the following new section:

“Irish citizens
resident abroad.

50.—Where an Irish citizen resident abroad for the purposes of the Principal Act is within the State for a period exceeding 10 days in any year of assessment he or she shall, for statistical purposes, give to the Commissioners on or before the 31st day of October in the following year a statement of his or her profits or gains outside the State.”.

—Joan Burton.

112. In page 136, before section 50, to insert the following new section:

[SECTION 50]

“List of approved schemes.

50.—The Revenue Commissioners shall publish at least annually a list of all schemes approved under Part 30, Chapter One, Taxes Consolidation Act 1997.”

—Joan Burton.

SECTION 51

113. In page 138, to delete lines 39 to 53 and in page 139, to delete lines 1 and 2 and substitute the following:

“(d) Where this subsection applies to a company for an accounting period and the company makes for that accounting period one or more distributions out of relevant income, then so much of the amount of that distribution, or the aggregate of such distributions, as does not exceed the amount of aggregate expenditure on research and development incurred by the company in relation to the accounting period shall be treated as a distribution made out of disregarded income; but a distribution shall not be treated as a distribution made out of disregarded income unless the relevant income is income from a qualifying patent in respect of an invention that was patented for bona fide commercial reasons and not primarily for the purpose of avoiding liability to tax.”.

—An tAire Airgeadais.

SECTION 56

114. In page 152, lines 30 and 31, to delete “deductible trading expense” and substitute “trading receipt”.

—An tAire Airgeadais.

115. In page 153, line 50, to delete “paragraph” and substitute “subparagraph”.

—An tAire Airgeadais.

SECTION 57

116. In page 154, before section 57, to insert the following new section:

“Matching of foreign currency assets with certain foreign currency share capital.

57.—(1) The Principal Act is amended by inserting the following after section 79A:

“79B.—(1) (a) In this section—

‘foreign currency asset’, in relation to a company, means an asset of the company —

(i) the consideration for the acquisition of which consisted solely of an amount denominated in a currency other than the currency of the State, and

[SECTION 57]

- (ii) any gain on the disposal of which would be taken into account in computing income of the company chargeable to tax under Case I of Schedule D;

‘relevant foreign currency liability’, in relation to a company, means a liability, not being a relevant monetary item (within the meaning of section 79) which arises from a sum subscribed for paid-up redeemable share capital of the company which is denominated in a currency other than the currency of the State;

‘rate of exchange’ has the meaning assigned to it by section 79.

(b) For the purposes of this section—

- (i) where at any time a company disposes of a foreign currency asset which has been matched with a corresponding relevant foreign currency liability and the company does not discharge the liability at that time, the company shall be deemed to discharge the liability, and to incur a new liability equal to the amount of the liability, at that time,
 - (ii) where in accordance with subsection (2) a company specifies that a foreign currency asset acquired by it at any time is to be matched with a corresponding relevant foreign currency liability incurred by it before that time, the company shall be deemed to discharge the foreign currency liability, and to incur a new liability equal to the amount of the liability, at that time, and
 - (iii) the amount of a gain or loss on the discharge of a relevant foreign currency liability shall be the amount which would be the gain accruing to, or as the case may be the loss incurred by, the company on the disposal of an asset acquired by it at the time the liability was incurred and disposed of at the time at which the liability was discharged if—
 - (I) the amount given by the company to discharge the liability was the amount given by the company as consideration for the acquisition of the asset, and
 - (II) the amount of the liability incurred by the company was the consideration received by the company on the disposal of the asset.
- (2) (a) A company may, by giving notice in writing to the inspector, specify that a foreign currency asset denominated in a currency other than the currency of the State shall be matched with such corresponding relevant foreign currency liability denominated in that currency as is specified by the company.
- (b) A notice under paragraph (a) shall be given within 3 weeks after the acquisition by the company concerned of the foreign currency asset.

[SECTION 57]

(3) Where in an accounting period a company disposes of a foreign currency asset which has been matched by the company under subsection (2) with a relevant foreign currency liability of the company, then any gain or loss, whether realised or unrealised, on the relevant foreign currency liability shall be taken into account in computing the trading income of the company.”.”.

—An tAire Airgeadais.

117. In page 154, before section 57, to insert the following new section:

“Amendment of Schedule 24 (relief from income tax and corporation tax by means of credit in respect of foreign tax) to Principal Act.

58.—Schedule 24 to the Principal Act is amended—

(a) in paragraph 4 by inserting the following after subparagraph (2):

“(2A) For the purposes of subparagraph (2) but subject to subparagraph (3), where credit is to be allowed against corporation tax for foreign tax in respect of any income of a company (in this subparagraph referred to as ‘that income’), being income which is taken into account in computing the profits or gains of a trade carried on by the company in an accounting period, the relevant income shall be so much of the profits or gains of the trade for that accounting period as is determined by the formula—

$$Px \frac{I}{R}$$

where—

- P is the amount of the profits or gains of the trade for the accounting period,
I is the amount of that income for the accounting period before deducting any disbursements or expenses of the trade, and
R is the total amount receivable by the company in the carrying on of the trade in the accounting period.”,

and

(b) by inserting the following after paragraph 9E:

“9F(1) (a) In this paragraph—

the ‘aggregate amount of corporation tax payable by a company for an accounting period in respect of relevant interest of the company for the accounting period from foreign companies’ means so much of the corporation tax which, apart from this paragraph, would be payable by the company for that accounting period as would not have been payable had the interest not been chargeable to tax;

‘foreign company’ means a company resident outside the State;

‘relevant foreign tax’, in relation to interest receivable by a company, means tax which—

[SECTION 57]

- (i) under the laws of any foreign territory has been deducted from the amount of the interest,
 - (ii) corresponds to income or corporation tax,
 - (iii) has not been repaid to the company;
- ‘unrelieved foreign tax’ has the meaning assigned to it in subparagraph (2).
- (b) For the purposes of this paragraph—
- (i) interest which is receivable by a company (in this clause referred to as the ‘receiving company’) from a company is relevant interest if—
 - (I) the interest falls to be taken into account in computing the trading income of a trade carried on by the receiving company,
 - (II) the interest arises from a source within a territory in regard to which arrangements have the force of law, and
 - (III) one of those companies is the 25 per cent subsidiary of the other or both companies are 25 per cent subsidiaries of a third company;
 - (ii) subject to subclause (iii), a company shall be deemed to be a 25 per cent subsidiary of another company if and so long as not less than 25 per cent of its ordinary share capital would be treated as owned directly or indirectly by that other company if section 9 (other than subsection (1) of that section) were to apply for the purposes of this paragraph;
 - (iii) a company (in this subclause referred to as a ‘subsidiary company’) shall not be deemed to be a 25 per cent subsidiary of another company (in this subclause referred to as the ‘parent company’) at any time if the percentage—
 - (I) of any profits, which are available for distribution to equity holders, of the subsidiary company at such time to which the parent company is beneficially entitled at such time, or
 - (II) of any assets, which are available for distribution to equity holders on a winding up, of the subsidiary company at such time to which the parent company would be beneficially entitled at such time on a winding up of the subsidiary company,

[SECTION 57]

is less than 25 per cent of such profits or assets (as the case may be) of the subsidiary company at such time, and sections 413, 414, 415 and 418 shall, with any necessary modifications but without regards to section 411(1)(c) in so far as it relates to those sections, apply to the determination of the percentage of those profits or assets (as the case may be) to which a company is beneficially entitled as they apply to the determination for the purposes of Chapter 5 of Part 12 of the percentage of any such profits or assets to which a company is so entitled.

(2) Where, as respects any relevant interest received in an accounting period by a company, any part of the foreign tax cannot, apart from this paragraph, be allowed as a credit against corporation tax and, accordingly, the amount of income representing the interest is treated under paragraph 7(3)(c) as reduced by that part of the foreign tax, then an amount determined by the formula—

$$\frac{100-R}{100} \times D$$

where—

R is the rate per cent specified in section 21(1), and
D is the amount of the part of the foreign tax by which the income is to be treated under paragraph 7(3)(c) as reduced,

shall be treated for the purposes of subparagraph (3) as unrelieved foreign tax of that accounting period.

(3) The aggregate amount of corporation tax payable by a company for an accounting period in respect of relevant interest of the company in that accounting period shall be reduced by the unrelieved foreign tax of that accounting period.”.”.

—An tAire Airgeadais.

SECTION 58

118. In page 155, line 9, to delete “acquiring,” and substitute “acquiring”.

—An tAire Airgeadais.

119. In page 155, to delete lines 11 to 14 and substitute the following:

“a company (from such company, referred to in this paragraph as the ‘issuing company’, or another company, being in either case a company which, at the time of the acquiring of the capital or immediately after that time, was connected with the investing company) if the loan is made to the”.

—An tAire Airgeadais.

[SECTION 58]

120. In page 157, line 37, to delete “period (by)” and substitute “period, by”.

—An tAire Airgeadais.

121. In page 157, line 39, to delete “excess’ ” and substitute “excess’ ”.

—An tAire Airgeadais.

122. In page 158, to delete lines 16 to 46 and substitute the following:

“not exceed the lesser of—

- (I) the part of the relevant income of the electing company for the second-mentioned period which may be apportioned to the relevant accounting period (by reference to the proportion which the length of the period common to the relevant accounting period and the second-mentioned accounting period bears to the length of the second-mentioned accounting period), and
- (II) the amount by which such part of that relevant income of the electing company exceeds the aggregate of any amounts, being—
 - (A) amounts of any relief, which is referable to the second-mentioned period, surrendered at any time by the electing company under Chapter 5 of Part 12, or
 - (B) amounts, which are not amounts referred to in clause (A), of any losses which could have been set off under section 396(2) against profits of the second-mentioned period but which were not set off against those profits,

but relief, for interest paid by the investing company, which has been allowed by virtue of this paragraph shall be deemed for the purposes mentioned in Paragraph 4(5) of Schedule 24 to the Principal Act to have been allocated by the company concerned to the relevant income of the company by reference to which the relief for the interest was allowed.”.

—An tAire Airgeadais.

123. In page 159, line 8, to delete “(d)(ii)” and substitute “(d)(i)”.

—An tAire Airgeadais.

124. In page 159, line 12, to delete “it.” and substitute the following:

“it.

- (g) For the purposes of paragraph (e), ‘relevant income’ of a company shall be increased or reduced by any amount of profit or gain or, as the case may be, loss directly related to that income or to the source of that income which is an amount arising—
 - (i) by virtue of a change in a rate of exchange (within the meaning of section 79), or

[SECTION 58]

(ii) from any contract entered into by the company for the purpose of eliminating or reducing the risk of loss being incurred by the company due to a change in a rate of exchange (within the meaning of section 79) or in a rate of interest.

(h) For the purposes of paragraph (c), share capital shall not be treated as issued by a company as part of an arrangement or understanding of a type described in that paragraph, entered into in connection with an original loan (within the meaning of that paragraph), solely because that share capital is used directly or indirectly in paying off, to the person who made the original loan (within that meaning) or to a person connected with that person, a loan, advance or debt (in this paragraph referred to as the 'other loan') other than the original loan where—

(i) the other loan was used wholly and exclusively for the purposes of a trade or business of the company and not as part of any arrangement or understanding, entered into in connection with the other loan, the purpose or one of the purposes of which was to provide moneys, directly or indirectly—

(I) to a person (referred to in clause (II) as the 'original lender') who made, or directly or indirectly funded, the other loan and to thereby achieve directly or indirectly the effective repayment of the other loan or the greater part of it, or

(II) to another person who is connected with the original lender and to thereby achieve a provision of moneys that is, notwithstanding that the moneys are being provided (as part of the arrangement or understanding) to a person other than the original lender, equivalent to the achievement directly or indirectly of the effective repayment, referred to in clause (I), of the other loan or the greater part of it,

at a time before interest ceased to be payable by the company in respect of the other loan or such greater part of it, and

(ii) interest on the other loan, if that other loan had been made on or after 2 February 2006, would have been deductible in computing profits, or any description of profits, for the purposes of corporation tax—

(I) if the other loan had not been paid off, and

(II) on the assumption, if the other loan was free of interest, that it carried interest.”.”.

—An tAire Airgeadais.

SECTION 59

125. In page 159, subsection (1), lines 16 to 18, to delete paragraph (a) and substitute the following:

“(a) in subsection (1)(a)—

(i) by inserting the following after the definition of “appropriate inspector”:

[SECTION 59]

“ ‘authorised officer’ means an officer of the Revenue Commissioners authorised by them in writing for the purposes of this section;”,

and

- (ii) in the definition of “expenditure on research and development” by inserting “wholly and exclusively” after “incurred by the company”;”.
- An tAire Airgeadais.

- 126.** In page 160, subsection (1)(c), line 4, to delete “subsection” where it firstly occurs.

—An tAire Airgeadais.

- 127.** In page 160, line 38, to delete “disclosure.” and substitute the following:

“disclosure.

(8) Any functions which are authorised by subsection (7) to be performed or discharged by the Revenue Commissioners may be performed or discharged by an authorised officer and any references in subsection (7) to the Revenue Commissioners shall, with any necessary modifications, be construed as including references to the authorised officer.”.

—An tAire Airgeadais.

SECTION 60

- 128.** In page 160, before section 60, to insert the following new section:

“Report on
Extension of
Research and
Development Tax
Credit.

60.—The Minister shall, within six months of the passing of this Act, report to the Oireachtas the effect of accounting measures introduced under this Finance Bill, including their effect on corporation tax receipts.”.

—Catherine Murphy.

- 129.** In page 160, before section 60, to insert the following new section:

“Report on
Extension of
Research and
Development Tax
Credit.

60.—The Minister shall, within six months of the passing of this Act, report to the Oireachtas on the costs and benefits of extending the Research and Development tax credit and structuring it in such a way that it can be targeted at small and medium enterprises.”.

—Catherine Murphy.

SECTION 61

- 130.** In page 165, line 15, to delete “the” and substitute “that”.

—An tAire Airgeadais.

131. In page 167, line 13, to delete “payable.” and substitute “payable.”;

—An tAire Airgeadais.

132. In page 167, between lines 13 and 14, to insert the following:

“(vi) by substituting the following for subsection (6):

“(6) (a) This section shall apply as on and from 23 December 1993; but a lease of an asset shall not be a relevant lease if

(i) a binding contact in writing for the letting of the asset was concluded before that day, or

(ii) (I) the relevant period does not exceed 5 years,

(II) the predictable useful life of the asset does not exceed 8 years,

(III) the lease provides for lease payments to be made at annual or more frequent regular intervals throughout the relevant period such that, in relation to any chargeable period (in this subsection referred to as the ‘current chargeable period’) falling wholly or partly into the relevant period (other than the earliest such chargeable period), the aggregate of the amounts of lease payments payable under the lease before the end of the current chargeable period is not less than an amount determined by the formula—

$$\frac{V \times T}{2920}$$

where—

V is an amount equal to the fair value of the asset at the inception of the lease, and

T is the number of days in the period commencing at the inception of the lease and ending at the end of the current chargeable period,

and

(IV) the lessor has made an election in relation to the lease for the treatment referred to in paragraph (b).

(b) Where a lessor has made an election under paragraph (a)(ii) (IV) in relation to a lease, the Tax Acts shall apply as respects assets leased under that lease as they would if the following were inserted in section 284(2):

[SECTION 61]

‘(c) Where machinery or plant which is used in a chargeable period or its basis period is not used throughout that period, the amount of the wear and tear allowance for the chargeable period in respect of the machinery or plant, computed by reference to paragraph (b), shall be reduced to so much as bears to that amount the same proportion as the part of the chargeable period or its basis period throughout which the machinery or plant is used bears to the length of the chargeable period or its basis period.’”.

—An tAire Airgeadais.

SECTION 63

133. In page 167, before section 63, to insert the following new section:

“63.—The Minister shall, within six months of the passing of this Act, report to the Oireachtas on the equity and the costs and benefits of taxing capital gains at 20 per cent while taxing income at 42 per cent.”.

—Catherine Murphy.

134. In page 167, before section 63, but in Chapter 5, to insert the following new section:

“Amendment of Finance Act 2003.

63.—Section 67 of the Finance Act 2003 is amended in subsection (2) by inserting the following paragraph after paragraph (a):

“(aa) as respects a disposal which arises as a result of a compulsory acquisition,””.

—Richard Bruton.

SECTION 69

135. In page 171, line 20, after “effected” to insert the following:

“or within such longer period as the Revenue Commissioners may on request allow”.

—An tAire Airgeadais.

SECTION 70

136. In page 171, line 45, after “company” to insert the following:

“or within such longer period as the Revenue Commissioners may on request allow”.

—An tAire Airgeadais.

[SECTION 71]

SECTION 71

137. In page 173, before section 71, to insert the following new section:

“Charities.

71.—The Minister may make regulations providing relief in respect of VAT for registered charities provided that such charities comply with such requirements including requirements as to accountability and financial transparency as may be prescribed.”.

—Joan Burton.

SECTION 75

138. In page 175, before section 75, to insert the following new section:

“Report on lifting restrictions on mineral oil tax relief.

75.—The Minister shall as soon as may be after the passing of this Act report to the Oireachtas the potential benefits and costs of lifting restrictions (such as are detailed in *section 74*) on relief from mineral oil tax for biofuels.”.

—Catherine Murphy.

SECTION 93

139. In page 182, before section 93, to insert the following new section:

“Amendment of First Schedule to Principal Act.

93.—The First Schedule (inserted by the Value-Added Tax (Amendment) Act 1978) to the Principal Act is amended—

(a) in paragraph (i)(a) by inserting “other than the issue of new stocks, new shares, new debentures or new securities made to raise capital, the” after “the issue,”, and

(b) in paragraph (i)(b) by substituting “of stocks, shares, debentures and other securities, other than documents establishing title to goods,” for “specified in subparagraph (a),”.”.

—An tAire Airgeadais.

[Acceptance of this amendment involves the deletion of section 93 of the Bill.]

SECTION 95

140. In page 182, before section 95, to insert the following new section:

“Exemption of sporting organisations from stamp duty.

95.—Relief from stamp duty shall be afforded to community based sporting organisations on property transactions for the purposes of the organisation.”.

—Joan Burton.

141. In page 182, before section 95, to insert the following new section:

[SECTION 95]

“Social Loan Fund. 95.—The Minister for Finance shall require each bank previously subject to the bank levy to contribute to a Social Loan Fund in an amount equivalent to the amounts previously included in the bank levy.”.

—Joan Burton.

142. In page 182, before section 95, but in Part 3, to insert the following new section:

“95.—The Minister shall introduce a VAT refund mechanism for at least that part of the unrecoverable VAT liability of Irish charities funded from public fundraising.”.

—Catherine Murphy.

143. In page 182, before section 95, but in Part 3, to insert the following new section:

“95.—Section 848A of the Principal Act is amended—

(a) in subsection (1)(a) by substituting the following for the definition of “relevant donation”:

“ ‘relevant donation’ means a donation which satisfies the requirements of subsection (3) and takes the form of—

(i) the payment by a person (in this section referred to as the ‘donor’) of a sum or sums of money amounting to at least €100, or

(ii) the donation of any non cash asset by a person (in this section referred to as the ‘donor’) with a market value at the date of the donation of at least €100,

to an approved body which is made—

(I) where the donor is a company, in an accounting period, and

(II) where the donor is an individual, in a year of assessment.”,

(b) by inserting after the definition of “approved body” the following definition:

“ ‘market value’ has the meaning assigned to it by subsection (3A);”,

(c) by amending the definition of “appropriate certificate” as follows:

(i) substituting in subparagraph (ii) “year of assessment” for “year of assessment, and”,

(ii) substituting in subparagraph (iii) “of the donor, and” for “of the donor;”,

(iii) inserting after subparagraph (iii) the following subparagraph:

[SECTION 95]

“(iv) in the case of a non cash donation a statement specifying a description and the market value of the donated asset.”,

(d) by inserting the following subsection after subsection (3):

“(3A) (a) For the purpose of this section, the market value of any non cash asset (in this subsection referred to as ‘the property’) shall, subject to paragraph (d) be estimated to be the price which in the opinion of the Revenue Commissioners the property would fetch if sold in the open market on the valuation date in such manner and subject to such conditions as might reasonably be calculated to obtain for the vendor the best price for the property.

(b) The market value of the property shall be ascertained by the Revenue Commissioners in such manner and by such means as they think fit, and they may authorise a person to inspect the property and report to them the value of the property for the purpose of this section, and the person having custody or possession of the property shall permit the person so authorised to inspect the property at such reasonable times as the Revenue Commissioners consider necessary.

(c) Where the Revenue Commissioners require a valuation to be made by a person authorised by them, the cost of such valuation shall be defrayed by the Revenue Commissioners.

(d) Where the property is acquired at auction by the person making the gift, the market value of the property shall, for the purposes of this section, be deemed to include the auctioneer’s fees in connection with the auction together with—

(i) any amount chargeable under the Value-Added Tax Act 1972, by the auctioneer to the purchaser of the property in respect of those fees and in respect of which the purchaser is not entitled to any deduction or refund under that Act or any other enactment relating to value-added tax, or

(ii) in the case of an auction in a country other than the State, the amount chargeable to the purchaser of the property in respect of a tax chargeable under the law of that country which corresponds to value-added tax in the state and in relation to which the purchaser is not entitled to any deduction or refund.”,

(e) in section 547 by the insertion of a new subsection (5) as follows:

“(5) This section shall not apply in respect of gifts of assets which are ‘relevant donations’ for the purposes of section 848A.”,

(f) by the insertion of a new section 547A as follows:

“547A.—Notwithstanding any other provision of the Capital Gains Tax Acts where a person disposes of an asset which is treated as a “relevant donation” for the purposes of section

[SECTION 95]

848A, the consideration for the disposal shall be deemed to be of such amount as would secure that on the disposal neither a gain nor a loss would accrue to the person making the disposal.”.”.”.

—Catherine Murphy.

SECTION 97

144. In page 184, line 15, to delete “directly” and substitute “directly or indirectly”.
—An tAire Airgeadais.

SECTION 99

145. In page 185, before section 99, to insert the following new section:

“Approved bodies. 99.—(1) The Principal Act is amended by inserting the following after section 82:

“82A.—(1) In this section ‘approved body’, ‘designated securities’ and ‘relevant donation’ have, respectively, the meanings assigned to them in section 848A (as amended by the *Finance Act 2006*) of the Taxes Consolidation Act 1997.

(2) Stamp duty shall not be chargeable on any instrument transferring designated securities, which are a relevant donation or part of a relevant donation, to an approved body.

(3) Subsection (2) shall not apply to an instrument unless that instrument has, in accordance with section 20, been stamped with a particular stamp denoting that it is not chargeable with stamp duty.”.

(2) This section applies as respects instruments executed on or after the date of the passing of this Act.”.

—An tAire Airgeadais.

SECTION 103

146. In page 189, between lines 11 and 12, to insert the following subsection:

“(3) The Minister shall, within six months of the passing of this Act, conduct an assessment and report the findings of same to the Oireachtas regarding the financial implications of charges detailed in *section 103* upon those over the age of 65.”.

—Catherine Murphy.

SECTION 104

147. In page 189, before section 104, but in Part 4, to insert the following new section:

[SECTION 104]

“Amendment of Schedule 1 (increase in stamp duty threshold for first-time buyers).

104.—Schedule 1 of the Principal Act is amended by deleting “£250,000” and substituting “€450,000” in paragraph 4 under 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”.”.

—Richard Bruton.

SECTION 111

148. In page 193, before section 111, to insert the following new section:

“Amendment of section 104 (allowance for capital gains tax on the same event) of Principal Act.

111.—(1) Section 104 of the Principal Act is amended by inserting the following after subsection (2):

“(3) The deduction by virtue of subsection (1) of capital gains tax chargeable on the disposal of an asset against gift tax or inheritance tax shall cease to apply to the extent that the asset is disposed of within 2 years after the date of the gift or, as the case may be, the date of the inheritance.”.

(2) This section shall apply to gifts and inheritances taken on or after 21 February 2006.”.

—An tAire Airgeadais.

[*Acceptance of this amendment involves the deletion of section 111 of the Bill.*]

SECTION 112

149. In page 193, before section 112, but in Part 6, to insert the following new section:

“Report on additional Revenue powers.

112.—The Minister shall, within six months of the passing of this Act report to the Oireachtas the effects of additional Revenue powers contained herein.”.

—Catherine Murphy.

SECTION 113

150. In page 193, before section 113, to insert the following new section:

“NPRF ethical investment policy.

113.—The Minister shall make regulations to require the National Pension Reserve Fund to adopt an ethical investment policy and to comply with such requirements and subject to such conditions as may be prescribed.”.

—Catherine Murphy.

SECTION 115

151. In page 199, between lines 8 and 9, to insert the following subsection:

“(3) Where a form or other document is prescribed pursuant to the Acts, it shall be prescribed by order which shall be subject to the Statutory Instruments Act 1947.”.

—Joan Burton.

[*SECTION 118*]

SECTION 118

152. In page 215, line 14, to delete “subparagraph” and substitute “clause”.

—An tAire Airgeadais.