

SEANAD ÉIREANN

AN BILLE AIRGEADAIS 2006 — AN COISTE FINANCE BILL 2006 — COMMITTEE

Moltaí Recommendations

SECTION 1

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

“Definition.

1.—(1) In this Part, the ‘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.

(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.”

—*Senator John Paul Phelan.*

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

“Amendment section 466A of the Principal Act.

1.—The Principal Act is amended in section 466A 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.’”

— *Senator John Paul Phelan.*

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

“Amendment of the Principal Act by the insertion of a new section 15A.

1.—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

SECTION 1—*continued*

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.’’.

— *Senator John Paul Phelan.*

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

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

1.—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 Principal Act, shall be entitled to receive a tax credit contributed to the pension scheme equivalent to relief at the higher rate.’’.

— *Senator John Paul Phelan.*

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

“Redundancy remuneration for Commerama.

1.—Provision shall be made in this Act to ensure that the workers who were made redundant at the Commerama factory in December 2003, shall be covered by the provisions of the Redundancy Payments Act 2003.’’.

—*Senator John Paul Phelan.*

6. 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.’’.

— *Senators Derek McDowell, Brendan Ryan, Kathleen O’Meara, Joanna Tuffy, Michael McCarthy.*

SECTION 2

7. In page 10, line 6, column (1), to delete “€32,000” and substitute “€34,000”.

— *Senator John Paul Phelan.*

8. In page 10, line 12, column (1), to delete “€36,000” and substitute “€38,000”.

— *Senator John Paul Phelan.*

9. In page 10, line 17, column (1), to delete “€41,000” and substitute “€46,000”.

— *Senator John Paul Phelan.*

SECTION 4

10. 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 to an employee, or pays the childcare

SECTION 4—*continued*

costs of an employee to a third party, the provision or payment shall not constitute a taxable benefit in kind.”.

— *Senators Derek McDowell, Brendan Ryan, Kathleen O’Meara, Joanna Tuffy, Michael McCarthy.*

- 11.** 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.”.

— *Senators Derek McDowell, Brendan Ryan, Kathleen O’Meara, Joanna Tuffy, Michael McCarthy.*

SECTION 14

- 12.** In page 19, before section 14, to insert the following new section:

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

— *Senator John Paul Phelan.*

- 13.** In page 19, 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.’.”.

— *Senator John Paul Phelan.*

SECTION 14—*continued*

- 14.** In page 33, line 18, to delete “€5,000,000” and substitute “€2,000,000”.

— *Senators Derek McDowell, Brendan Ryan, Kathleen O’Meara, Joanna Tuffy, Michael McCarthy.*

- 15.** In page 46, line 38, to delete “€1,250,000” and substitute “€500,000”.

— *Senators Derek McDowell, Brendan Ryan, Kathleen O’Meara, Joanna Tuffy, Michael McCarthy.*

- 16.** In page 57, between lines 10 and 11, to insert the following new subsection:

“(5) Within 1 year of the commencement of this section, and each year thereafter, the Minister shall publish details of the distribution of tax relief on pension contributions across the income categories and an assessment of the adequacy of pension cover.”.

— *Senator John Paul Phelan.*

SECTION 15

- 17.** In page 57, between lines 23 and 24, to insert the following new subsection:

“(2) Within 1 year of the commencement of this section, and each year thereafter, the Minister shall publish an assessment of its impact on the operation of companies in the exposed sectors of the economy.”.

— *Senator John Paul Phelan.*

SECTION 17

- 18.** In page 66, to delete lines 27 to 52 and in page 67, to delete lines 1 to 12.

— *Senators Derek McDowell, Brendan Ryan, Kathleen O’Meara, Joanna Tuffy, Michael McCarthy.*

- 19.** In page 89, between lines 27 and 28, to insert the following new subsection:

“(4) Within 1 year of the commencement of this section, and each year thereafter, the Minister shall publish an assessment of the take up of the reliefs covered in this section, in order to establish the extent to which tax is paid by top earners.”.

— *Senator John Paul Phelan.*

SECTION 34

- 20.** In page 110, before section 34, to insert the following new section:

“Psychiatric
Hospitals,
Mental Health
Centres.

34.—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,

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(d) an analysis of the implications of subjecting such allowances to a claw back provision where the facility fails to meet required healthcare standards.’’.

— *Senators Derek McDowell, Brendan Ryan, Kathleen O’Meara, Joanna Tuffy, Michael McCarthy.*

SECTION 42

21. In page 127, line 17, to delete “€2,500” and substitute “€5,000”.

— *Senators Derek McDowell, Brendan Ryan, Kathleen O’Meara, Joanna Tuffy, Michael McCarthy.*

SECTION 70

22. In page 184, before section 70, but in Chapter 5, to insert the following new section:

“Amendment of Finance Act 2003. 70.—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.’”.

— *Senator John Paul Phelan.*

SECTION 93

23. In page 194, before section 93, to insert the following new section:

“VAT on non-resident artist fees. 93.—The Principal Act is amended in the Second Schedule, by inserting the following new paragraph after paragraph (vii):

‘(viii) the supply of cultural services, and goods closely linked thereto, by any non-profit making cultural body, whether established by statute or otherwise, which is recognized as such a body by the Revenue Commissioner for the purposes of this paragraph, and the supply to such bodies of services comprising artistic or cultural performance.’”.

— *Senator John Paul Phelan.*

SECTION 112

24. In page 206, before section 112, but in Part 4, to insert the following new section:

‘Amendment of Schedule 1 (increase in stamp duty threshold for first-time buyers). 112.—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’”.

— *Senator John Paul Phelan.*

SECTION 125

25. In page 222, to delete lines 42 to 49 and substitute the following:

SECTION 125—*continued*

“(5) Every regulation made shall be laid before Dáil Éireann as soon as may be after it is made and shall not come into effect until it has been approved by a resolution of Dáil Éireann.”.

— *Senator John Paul Phelan.*

SECTION 126

26. In page 232, between lines 27 and 28, to insert the following new subsection:

“(8) Within 1 year of the commencement of this section, and each year thereafter, the Minister shall publish an account of the surcharges imposed, and the protective notifications made, under this section.”.

— *Senator John Paul Phelan.*