



# **DÁIL ÉIREANN**

---

## **AN BILLE AIRGEADAIS, 2011 FINANCE BILL 2011**

### **LEASUITHE COISTE COMMITTEE AMENDMENTS**

---



# DÁIL ÉIREANN

---

## AN BILLE AIRGEADAIS, 2011

### FINANCE BILL 2011 —COMMITTEE STAGE

---

#### *Leasuithe Amendments*

---

#### SECTION 1

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

#### “PART 1

##### COST BENEFIT ANALYSIS OF TAX EXPENDITURES

Cost benefit analysis  
of tax expenditures.

1.—The Minister shall within one month from the passing of this Act prepare and lay before Dáil Éireann a report on a cost-benefit analysis of tax expenditures provided for by this Act, setting out the costs of tax foregone, and the benefits in terms of job creation or otherwise.”.

—Joan Burton.

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

#### “PART 1

##### TAXATION OF CERTAIN BONUSES

Taxation of certain  
bonuses.

1.—For so long as a particular credit institution is participating in the eligible liabilities guarantee scheme, any bonus paid by that institution to its officers, employees or contractors shall be liable to an income tax rate (without any deductions or allowances) of 90 per cent.”.

—Joan Burton.

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

#### “PART 1

##### EXAMINATION OF CERTAIN BONUSES

Examination of  
certain bonuses.

1.—The Minister for Finance shall, as soon as may be after the passing of this Act, prepare and lay before Dáil Éireann a report on options available for special and time-limited measures to impose a 90 per cent tax or levy on bonuses paid by any credit institution that is participating in the eligible liabilities guarantee scheme.”.

—Joan Burton.

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

[ SECTION 1 ]

“PART 1

PUBLICATION OF CERTAIN BONUSES

Publication of  
certain bonuses.

1.—Each credit institution that is participating in the eligible liabilities guarantee scheme shall be required, within 30 days of the passing of this Act, to submit to Dáil Éireann details of the names of all of its officers, employees or contractors to whom bonuses have been paid between 30 September 2008 and the date of passing of this Act, and the amount of the bonuses in each case.”.

—Joan Burton.

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

“PART 1

EXAMINATION OF TARGETED VAT REDUCTION FOR LABOUR INTENSIVE SERVICES

Examination of  
targeted VAT  
reduction for labour  
intensive services.

1.—The Minister for Finance shall, as soon as may be after the passing of this Act, prepare and lay before Dáil Éireann a report on the potential economic stimulus impact, and cost benefit analysis, of a targeted VAT reduction for labour intensive services.”.

—Joan Burton.

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

“PART 1

PROPOSAL TO OFFSET TAX LOSSES FROM RESEARCH AND DEVELOPMENT AGAINST PRSI

1.—The Minister shall within one month of the commencement of this Act, prepare and lay before Dáil Éireann, a report on proposals to reduce the effective tax rate that is applied to intellectual trading losses that are incurred by companies and if he will further report on a possible option of offsetting such losses against employers PRSI.”.

—Michael Noonan.

SECTION 2

7. In page 7, before section 2, but in Chapter 2, to insert the following new section:

“Financial stimulus.

2.—The Minister shall commit to examine the introduction of a financial stimulus for a Jobs Retention and Creation Strategy, and a Household Stimulus Package for consumers, within the course of 2011.”.

—Pearse Doherty.

SECTION 3

8. In page 7, before section 3, to insert the following new section:

[ SECTION 3 ]

“Impact assessment of universal social charge.

3.—*Section 3* shall not come into operation save by order of the Minister which may only be made after the Minister has carried out an economic and social impact assessment of the introduction of the universal social charge, particularly in respect of those on medical cards or over the age of 70 who were previously exempted from the health and income levies, and has laid the assessment before Dáil Éireann.”.

—Joan Burton.

9. In page 8, between lines 31 and 32, to insert the following:

“ ‘relevant day’ shall be read in accordance with section 531AM(1);”.

—Pearse Doherty.

*[Note: A Printer error has resulted in incorrect line references in page 8 of the Bill. The line references in this amendment refer to the actual number of lines of text in page 8 of the Bill.]*

10. In page 9, to delete lines 16 to 22 and substitute the following:

“531AM.—(1) The Minister may by order appoint a day (in this Chapter referred to as the ‘relevant day’) to be the day on which this section comes into effect, which day shall not in any case be earlier than 60 days after the publication of an impact assessment into the effects of the tax to be known as ‘universal social charge’ in respect of the income specified in paragraphs (a) and (b) of the Table to this subsection.”.

—Pearse Doherty.

*[Note: A Printer error has resulted in incorrect line references in page 9 of the Bill. The line references in this amendment refer to the actual number of lines of text in page 9 of the Bill.]*

11. In page 12, line 38, to delete “531AN.—” and substitute “531AN.—(1)”.

—An tAire Airgeadais.

*[Note: A Printer error has resulted in incorrect line references in page 12 of the Bill. The line references in this amendment refer to the actual number of lines of text in page 12 of the Bill.]*

12. In page 13, between lines 3 and 4, to insert the following:

“(2) Notwithstanding subsection (1) and the Table to this section and subject to subsection (3), for the tax year 2011 and for each subsequent tax year where an individual has relevant income that exceeds €100,000, the individual shall, instead of being charged to universal social charge on the amount of the excess at the rates provided for in that Table, be charged on the amount of that excess—

(a) at the rate of 10 per cent where the individual is aged under 70 years, or

(b) at the rate of 7 per cent where the individual is aged 70 years or over at any time during the tax year.

[ SECTION 3 ]

(3) Notwithstanding subsection (1) and the Table to this section, for the tax year 2011 and for each subsequent tax year where an individual is aged under 70 years and has full eligibility for services under Part IV of the Health Act 1970, by virtue of sections 45 and 45A of that Act or Council Regulation (EEC) No. 1408/71 of 14 June 1971, the individual shall, instead of being charged to universal social charge on the part of aggregate income for the tax year concerned that exceeds €16,016 at the rate provided for in column (2) of that Table, be charged on the amount of the excess at the rate of 4 per cent.

(4) Subsections (2) and (3) shall cease to have effect for the tax year 2015 and subsequent tax years.”.

—An tAire Airgeadais.

**13.** In page 13, line 27, to delete “€77” and substitute “€95”.

—Michael Noonan.

*[Note: A Printer error has resulted in incorrect line references in page 13 of the Bill. The line references in this amendment refer to the actual number of lines of text in page 13 of the Bill.]*

**14.** In page 13, line 36, to delete “€77” and substitute “€95”.

—Michael Noonan.

*[Note: A Printer error has resulted in incorrect line references in page 13 of the Bill. The line references in this amendment refer to the actual number of lines of text in page 13 of the Bill.]*

**15.** In page 13, line 37, to delete “€193” and substitute “€203”.

—Michael Noonan.

*[Note: A Printer error has resulted in incorrect line references in page 13 of the Bill. The line references in this amendment refer to the actual number of lines of text in page 13 of the Bill.]*

**16.** In page 13, line 48, to delete “€193” and substitute “€203”.

—Michael Noonan.

*[Note: A Printer error has resulted in incorrect line references in page 13 of the Bill. The line references in this amendment refer to the actual number of lines of text in page 13 of the Bill.]*

**17.** In page 13, line 49, to delete “€308” and substitute “€312”.

—Michael Noonan.

*[Note: A Printer error has resulted in incorrect line references in page 13 of the Bill. The line references in this amendment refer to the actual number of lines of text in page 13 of the Bill.]*

**18.** In page 13, line 49, to delete “or”.

—An tAire Airgeadais.

*[Note: A Printer error has resulted in incorrect line references in page 13 of the Bill. The line references in this amendment refer to the actual number of lines of text in page 13 of the Bill.]*

**19.** In page 14, line 4, to delete “€193” and substitute “€203”.

—Michael Noonan.

[ SECTION 3 ]

20. In page 14, line 4, after “€193,” to insert “or”.

—An tAire Airgeadais.

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

“(iii) where, in the case of an employee who is aged under 70 years and has full eligibility for services under Part IV of the Health Act 1970, by virtue of sections 45 and 45A of that Act or Council Regulation (EEC) No. 1408/71 of 14 June 1971<sup>1</sup>, the amount of the relevant emoluments exceeds €193,”.

—An tAire Airgeadais.

22. In page 14, to delete lines 11 to 22 and substitute the following:

“(d) 7 per cent on the amount of the excess—

(i) where, in the case of an employee who is not aged 70 years or over at any time during the tax year, the amount of the relevant emoluments exceeds €308, or

(ii) where, in the case of an employee who does not have full eligibility for services under Part IV of the Health Act 1970, by virtue of sections 45 and 45A of that Act or Council Regulation (EEC) No. 1408/71 of 14 June 1971, the amount of the relevant emoluments exceeds €308,

in the case where the period in respect of which payment is being made is a week, or a corresponding amount where the period is greater or less than a week,”.

—An tAire Airgeadais.

SECTION 4

23. In page 27, before section 4, but in Chapter 3, to insert the following new section:

“Examine new tax rate.

4.—The Minister shall commit to examine the introduction of a new higher rate of tax on income in excess of three times the average industrial wage before the end of 2011.”.

—Pearse Doherty.

24. In page 27, before section 4, but in Chapter 3, to insert the following new section:

“4.—“Relevant day” shall be read in accordance with *sections 4, 5 and 6*.”.

—Pearse Doherty.

25. In page 27, line 31, to delete “2011” and substitute “following the relevant day”.

—Pearse Doherty.

[*Note: A Printer error has resulted in incorrect line references in page 27 of the Bill. The line references in this amendment refer to the actual number of lines of text in page 27 of the Bill.*]

<sup>1</sup> OJ No. L149, 5.7.1971, p.2

[ SECTION 4 ]

**26.** In page 28, between lines 17 and 18, to insert the following:

“(c) The Minister may by order appoint a day (in this Chapter referred to as the “relevant day”) to be the day on which this section comes into effect, which day shall not in any case be earlier than 60 days after the publication of an impact assessment into the effects of the tax changes under subsection (a) and (b).”.

—Pearse Doherty.

SECTION 5

**27.** In page 28, line 18, to delete “2011” and substitute “following the relevant day”.

—Pearse Doherty.

SECTION 6

**28.** In page 28, subsection (1), line 28, to delete “2011” and substitute “following the relevant day”.

—Pearse Doherty.

**29.** In page 29, between lines 44 and 45, to insert the following subsection:

“(4) The Minister may by order appoint a day (in this Chapter referred to as the “relevant day”) to be the day on which this section comes into effect, which day shall not in any case be earlier than 60 days after the publication of an impact assessment into the effects of the tax changes under this section.”.

—Pearse Doherty.

*[Note: A Printer error has resulted in incorrect line references in page 29 of the Bill. The line references in this amendment refer to the actual number of lines of text in page 29 of the Bill.]*

SECTION 7

**30.** In page 30, to delete lines 1 to 3 and substitute the following:

““(c) This subsection shall not apply as respects the year of assessment 2011 and each subsequent year of assessment, unless it can be shown to the satisfaction of the Revenue Commissioners that a legal requirement exists for the employee to maintain the membership of a professional body.”.”.

—Michael Noonan.

**31.** In page 30, paragraph (a), line 4, to delete “and”.

—An tAire Airgeadais.

**32.** In page 30, line 9, to delete “assessment.”.” and substitute the following:

“assessment.”,

and”.

—An tAire Airgeadais.

**33.** In page 30, between lines 9 and 10, to insert the following:

“(c) in section 122(1)(a) in the definition of “preferential loan” by substituting “paid” for “payable” in each place.

[ SECTION 7 ]

(2) *Subsection (1)(c)* shall have effect as on and from 26 January 2011.”.

—An tAire Airgeadais.

SECTION 11

**34.** In page 33, before section 11, to insert the following new section:

“11.—That the charge to PRSI (companies and employees) and USC for employees be abolished for Approved Profit Sharing Schemes (APSS) and Savings Related Share option Schemes (SAYE), and to non Revenue approved plans.”.

—Michael Noonan.

SECTION 13

**35.** In page 34, to delete lines 8 to 11 and substitute the following:

“ ‘relevant limit’, in relation to a year of assessment, means—

(a) €10,000 in the case of an individual assessed to tax in accordance with section 1016, or

(b) €15,000 in the case of individuals assessed to tax in accordance with section 1017,

subject in any case to a maximum amount of €15,000 in respect of which relief may be claimed under this section in respect of any one qualifying residence in the year of assessment concerned;”.

—An tAire Airgeadais.

SECTION 15

*Section opposed.*

—Michael Noonan.

SECTION 16

**36.** In page 37, before section 16, to insert the following new section:

“Tax treatment of flight crew in international traffic.

16.—The Principal Act is amended in Chapter 5 of Part 5 by inserting the following section after section 127A:

“127B.—(1) Income arising to any individual, whether resident in the State or not, from any employment exercised aboard an aircraft—

(a) that is operated in international traffic, and

(b) where the aircraft is so operated by an enterprise that has its place of effective management in the State,

shall be chargeable to tax under Schedule E.

(2) For the purposes of an arrangement to which this section and section 826 applies, ‘international traffic’, in relation to an aircraft, does not include an aircraft operated solely between places in another state.”.

—An tAire Airgeadais.

[ SECTION 18 ]

SECTION 18

37. In page 38, line 17, to delete ““(iii) where” and substitute ““(iii) notwithstanding subparagraph (ii), where”.

—An tAire Airgeadais.

38. In page 38, to delete lines 17 to 22 and substitute the following:

““(iii) where the chargeable period is a year of assessment for income tax or capital gains tax purposes, being the year of assessment 2011 or any subsequent year of assessment, 30 June in the year of assessment following that year, subject to subparagraph (iv),

(iv) where the chargeable period is a year of assessment for income tax or capital gains tax purposes, being the year of assessment 2011 or any subsequent year of assessment, and where the taxpayer makes the return in accordance with the provisions of Section 917F, 31 October in the year of assessment following that year.”.

—Michael Noonan.

39. In page 38, line 19, to delete “2011” and substitute “2010”.

—An tAire Airgeadais.

40. In page 38, subsection (2), line 23, after “amended” to insert the following:

“as respects the year of assessment 2011 and subsequent years of assessment”.

—An tAire Airgeadais.

41. In page 38, lines 27 and 28, to delete subsection (4).

—An tAire Airgeadais.

SECTION 19

42. In page 59, subsection (7)(f), line 1, to delete “inserted by this Act”.

—An tAire Airgeadais.

SECTION 21

43. In page 85, line 22, after “€3,000.” to insert the following:

“The penalty of €3000 referred to in this subsection or any lesser penalty will not apply to a person who delivers to the Revenue Commissioners any incorrect account, declaration, information, particulars, return or statement, by means of approved electronic communications (within the meaning of Sec 864A) where there was no intention to mislead the Revenue Commissioners.”.

—Michael Noonan.

SECTION 22

44. In page 87, before section 22, to insert the following new section:

“Cesser of financial resolutions.

22.—(1) The financial resolutions to which this section applies cease to have statutory effect on and from the passing of this Act.

(2) This section applies to the following financial resolutions passed by Dáil Éireann on 7 December 2010:

[ SECTION 22 ]

- (a) Financial Resolution No. 20 (which restricts the way in which relief given under section 372AP of the Taxes Consolidation Act 1997 may be used);
- (b) Financial Resolution No. 21 (which restricts and, in certain circumstances, ceases certain capital allowances in respect of property incentives);
- (c) Financial Resolution No. 22 (which restricts the way in which certain capital allowances in respect of property incentives may be used).”.  
—An tAire Airgeadais.

45. In page 88, to delete lines 26 and 27 and substitute the following:

“ ‘relevant day’ means the date of passing of the Finance Act 2011;”.

—Joan Burton.

46. In page 89, to delete lines 11 to 18.

—Joan Burton.

47. In page 89, line 11, to delete “Minister” and substitute “Minister for Finance”.

—An tAire Airgeadais.

48. In page 89, lines 19 to 21, to delete all words from and including “the” in line 19 down to and including “year” in line 21 and substitute “any tax year”.

—An tAire Airgeadais.

*[Note: A Printer error has resulted in incorrect line references in page 89 of the Bill. The line references in this amendment refer to the actual number of lines of text in page 89 of the Bill.]*

49. In page page 89, line 24 to delete “next”.

—An tAire Airgeadais.

*[Note: A Printer error has resulted in incorrect line references in page 89 of the Bill. The line references in this amendment refer to the actual number of lines of text in page 89 of the Bill.]*

50. In page 89, lines 43 to 45, to delete all words from and including “an” in line 43 down to and including “day” in line 45 and substitute “any accounting period”.

—An tAire Airgeadais.

*[Note: A Printer error has resulted in incorrect line references in page 89 of the Bill. The line references in this amendment refer to the actual number of lines of text in page 89 of the Bill.]*

51. In page 89, lines 49 and 50, to delete “beginning on or after the relevant day” and substitute “to which paragraph (a) applies”.

—An tAire Airgeadais.

*[Note: A Printer error has resulted in incorrect line references in page 89 of the Bill. The line references in this amendment refer to the actual number of lines of text in page 89 of the Bill.]*

52. In page 90, lines 13 and 14, to delete “beginning on or after the relevant day” .

—An tAire Airgeadais.

[ SECTION 22 ]

- 53.** In page 91, lines 17 to 19, to delete all words from and including “the” in line 17 down to and including “year” in line 19 and substitute “any tax year”.  
—An tAire Airgeadais.
- 54.** In page 91, lines 42 to 44, to delete all words from and including “an” in line 42 down to and including “day” in line 44 and substitute “any accounting period”.  
—An tAire Airgeadais.
- 55.** In page 92, lines 19 to 21, to delete all words from and including “the” in line 19 down to and including “year” in line 21 and substitute “any tax year”.  
—An tAire Airgeadais.
- 56.** In page 92, lines 39 and 40, to delete “commencing on or after the relevant day”.  
—An tAire Airgeadais.

*[Note: A Printer error has resulted in incorrect line references in page 92 of the Bill. The line references in this amendment refer to the actual number of lines of text in page 92 of the Bill.]*

- 57.** In page 93, line 8, to delete “paragraph (a).” and substitute “paragraph (a).”.  
—An tAire Airgeadais.

- 58.** In page 93, between lines 8 and 9, to insert the following:

“(3) Notwithstanding any other provisions of this Part, and as respects the tax year or accounting period, as the case may be, in which the relevant day occurs, any capital allowance in relation to a building or structure shall not be made—

- (a) in charging profits or gains of a trade to income tax, other than the profits or gains of the trade referred to in subsection (1)(a), or
- (b) in charging any amount of rent under Case V of Schedule D, other than in charging the specified amount of rent,

where the profits or gains arise, or that rent arises, in the period beginning on the relevant day and ending on the last day of the tax year or the accounting period concerned.”.

—An tAire Airgeadais.

- 59.** In page 93, subsection (2), lines 9 and 10, to delete all words from and including “the” in line 9 where it firstly occurs down to and including “Act” in line 10 and substitute the following:

“the relevant day (within the meaning of section 409F(3) (inserted by subsection (1)) of the Taxes Consolidation Act 1997”).

—An tAire Airgeadais.

SECTION 23

- 60.** In page 94, line 19, to delete “ending on or after the relevant day”.  
—An tAire Airgeadais.
- 61.** In page 95, line 26, to delete “period.” and substitute “period.”.  
—An tAire Airgeadais.

[ SECTION 23 ]

**62.** In page 95, between lines 26 and 27, to insert the following:

“(8D) Notwithstanding any other provisions of this section, and as respects the chargeable period in which the relevant day occurs, any eligible expenditure in relation to a qualifying premises or a special qualifying premises shall not be taken into account in computing a deficiency in respect of any rent other than rent from that qualifying premises or special qualifying premises, where that rent arises in the period beginning on the relevant day and ending on the last day of the chargeable period.”.”.

—An tAire Airgeadais.

**63.** In page 95, subsection (2), lines 27 and 28, to delete “the date of the passing of this Act” and substitute the following:

“the relevant day (within the meaning of section 409F(3) (inserted by *section 22*) of the Taxes Consolidation Act 1997)”.

—An tAire Airgeadais.

SECTION 25

*Section opposed.*

—Jimmy Deenihan.

SECTION 27

**64.** In page 96, before section 27, to insert the following new section:

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

27.—(1) Section 817 of the Principal Act is amended in subsection (1)—

(a) in paragraph (ca) by substituting the following for subparagraph (iii)—

“(iii) notwithstanding paragraph (c), not to have been significantly reduced where the gain realised, or the proceeds in either or both money or money’s worth received, by the shareholder on that disposal is or are wholly or mainly attributable to payments or other transfers of value from another company or companies, which is or are controlled (within the meaning of section 432) by that shareholder or by that shareholder and persons connected with him or her, to the close company, and”.

and

(b) by inserting the following after paragraph (d)—

“(e) For the purposes of this section, the holding of money by a company shall be deemed to be a business carried on by the company, regardless of how that money was contributed to, or acquired by, the company.”.

(2) This section has effect as respects any disposal of shares on or after 26 January 2011.”.

—An tAire Airgeadais.

**65.** In page 96, line 10, to delete paragraph (a) and substitute the following:

[ SECTION 27 ]

“(a) in section 20(1) by substituting “sections 436, 436A, 437, 816(2)(b) and 817” for “436 and 437, and subsection (2)(b) of section 816”,.”

—An tAire Airgeadais.

SECTION 30

66. In page 99, before section 30, to insert the following new section:

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

30.—(1) The Principal Act is amended in section 481—

(a) in subsection (1) in the definition of “qualifying period” by substituting “31 December 2015” for “31 December 2012”, and

(b) in subsection (8) by substituting “the year of assessment 2015” for “the year of assessment 2012”, and

(c) in subsection (9) by substituting “the year of assessment 2015” for “the year of assessment 2012”.

(2) This section comes into operation on such day as the Minister for Finance may by order appoint.”.

—An tAire Airgeadais.

67. In page 104, line 5, to delete “and”.

—An tAire Airgeadais.

68. In page 104, line 8, after “sectors,” to insert “and”.

—An tAire Airgeadais.

69. In page 104, between lines 8 and 9, to insert the following:

“(j) the production of a film (within the meaning of section 481),.”

—An tAire Airgeadais.

SECTION 31

70. In page 159, before section 31, but in Chapter 4, to insert the following new section:

“Cross party and community economic strategy group.

31.—The Minister will establish within the course of 2011 a new cross party and community economic group which will produce a Jobs Strategy and Economic Recovery plan.”.

—Pearse Doherty.

SECTION 33

71. In page 161, line 31, to delete “plant and machinery” and substitute “machinery or plant”.

—An tAire Airgeadais.

72. In page 161, line 35, to delete “Subject to subsection (3)” and substitute “Subject to subsections (3) and (7)”.

—Michael Noonan.

[ SECTION 33 ]

73. In page 161, line 35, to delete “subsection (3)” and substitute “subsections (3), (6), (7) and (8)”.

—An tAire Airgeadais.

74. In page 161, line 39, to delete “to defray money applied” and substitute “used”.

—An tAire Airgeadais.

75. In page 162, between lines 21 and 22, to insert the following:

“(6) (a) Where, in an accounting period, interest is payable by an investing company on a loan to defray money applied in acquiring an asset (in this subsection referred to as an ‘acquired asset’) which is leased by the company for that accounting period in the course of a trade (in this paragraph referred to as the ‘first-mentioned trade’) then, if immediately before that asset was acquired by the investing company it was not in use for the purposes of a trade carried on by a company which was within the charge to corporation tax, subsection (2) shall not apply to so much of that interest as does not exceed the amount of the profits or gains of the first-mentioned trade for that accounting period as is attributable to the acquired asset.

(b) For the purposes of paragraph (a), in arriving at the profits or gains of a trade attributable to an acquired asset, any necessary apportionment shall be made of the expenses and receipts of the trade.

(7) This section shall not apply to interest payable to a company (in this subsection referred to as the ‘first-mentioned company’) by an investing company where the sole business of the first-mentioned company is the on-lending to the investing company of moneys which the first-mentioned company has borrowed from persons who are not connected with either or both the first-mentioned company and the investing company.

(8) This section shall not apply to any interest payable by a qualifying company (within the meaning of section 110).”.

—An tAire Airgeadais.

76. In page 162, line 22, to delete “(6) Where, as a” and substitute “(9) Where, as a”.

—An tAire Airgeadais.

77. In page 162, between lines 32 and 33, to insert the following:

“(7) This section shall not apply to any interest on a loan paid to an investing company unless the investment is made for bona fide commercial reasons and does not form part of any arrangement or scheme of which the main purpose or one of the main purposes is the avoidance of liability to tax.”.

—Michael Noonan.

78. In page 162, between lines 35 and 36, to insert the following subsection:

“(3) The Minister shall within one month from the passing of this Act prepare and lay before Dáil Éireann a report on the potential for introducing a Financial Transaction Tax, a so-called “Tobin Tax”, at EU or global level in cooperation and consultation with the trading partners of the State including the likely effects on activity, employment and tax revenues in the International Financial Services Sector.”.

—Pearse Doherty.

[ SECTION 34 ]

SECTION 34

- 79.** In page 164, line 39, to delete “paragraphs (c) to (e)” and substitute “paragraphs (c) to (f)”.

—An tAire Airgeadais.

- 80.** In page 165, between lines 45 and 46, to insert the following:

“(d) (i) Where, in an accounting period, interest is paid by an investing company on a loan to defray money applied in lending to another company (in this paragraph referred to as the ‘other company’) money which is used wholly and exclusively for the purposes of acquiring an asset (in this paragraph referred to as an ‘acquired asset’) which is leased by the other company for that accounting period in the course of a trade (in this paragraph referred to as the ‘first-mentioned trade’) then, if immediately before that asset was acquired by the other company it was not in use for the purposes of a trade carried on by a company which was within the charge to corporation tax, paragraph (b) shall not apply to that loan and, notwithstanding subsection (3) and section 243, the amount of the relief to be given in respect of the interest paid in the accounting period by the investing company on the loan shall not exceed the amount of the profits or gains of the first-mentioned trade for the corresponding period as is attributable to the acquired asset.

(ii) For the purposes of subparagraph (i), in arriving at the profits or gains of a trade attributable to an acquired asset, any necessary apportionment shall be made of the expenses and receipts of the trade.”.

—An tAire Airgeadais.

- 81.** In page 165, line 46, to delete “(d) For the” and substitute “(e) For the”.

—An tAire Airgeadais.

- 82.** In page 165, line 48, to delete “paragraph (c)” and substitute “paragraphs (c) and (d)\*”.

—An tAire Airgeadais.

[\*Note: This is a reference to the paragraph proposed to be inserted by amendment No. 80.]

- 83.** In page 166, line 40, to delete “(e) Where,” and substitute “(f) Where,”.

—An tAire Airgeadais.

- 84.** In page 169, lines 20 to 22, to delete subsection (2) and substitute the following:

“(2) This section shall take effect by order of the Minister for Finance in respect of a loan made on or after 21 January 2011 other than any such loan made in accordance with a binding written agreement made before that date.”.

—Michael Noonan.

SECTION 37

- 85.** In page 170, line 23, to delete “subparagraph” and substitute “paragraph”.

—An tAire Airgeadais.

- 86.** In page 173, subsection (5)(b), line 51, to delete “of this section”.

—An tAire Airgeadais.

[ SECTION 37 ]

87. In page 174, subsection (5)(c), line 7, to delete “of this section”.  
—An tAire Airgeadais.

88. In page 174, subsection (5)(c)(i)(II), line 14, to delete “was bound to issue”  
and substitute “issued”.  
—An tAire Airgeadais.

SECTION 45

89. In page 186, line 11, to delete “€3” and substitute “€2”.  
—Michael Noonan.

SECTION 46

90. In page 191, subsection (3), line 19, to delete “the Minister” and substitute  
“the Minister for Finance”.  
—An tAire Airgeadais.

SECTION 53

*Section opposed.*  
—Michael Noonan.

SECTION 61

91. In page 201, before section 61, to insert the following new section:

“Housing authorities  
and affordable  
homes partnership.

61.—(1) The Principal Act is amended by substituting the following for section 106B:

“106B.—(1) In this section ‘housing authority’ means—

(a) a housing authority, within the meaning of the Housing Acts 1966 to 2009, in connection with any of its functions under those Acts,  
or

(b) the Affordable Homes Partnership established under article 4(1) of the Affordable Homes Partnership (Establishment) Order 2005 (S.I. No. 383 of 2005) in connection with the services specified in article 4(2) of that Order, as amended by the Affordable Homes Partnership (Establishment) Order 2005 (Amendment) Order 2007 (S.I. No. 293 of 2007).

(2) Stamp duty shall not be chargeable on any instrument giving effect to the conveyance, transfer or lease of a house, building or land to a housing authority.

(3) Stamp duty on any instrument giving effect to the conveyance, transfer or lease of a house, building or land by a housing authority chargeable, as specified in Schedule 1, shall not exceed €100.”.

(2) This section applies to an instrument executed on or after 1 April 2011.”.  
—An tAire Airgeadais.

[ SECTION 65 ]

SECTION 65

92. In page 205, subsection (1), lines 26 to 29, to delete paragraph (c) and substitute the following:

“(c) as if, in the definition of “threshold amount” in paragraph 1 of Part 1 of Schedule 2, the consumer price index number for the year 2009 applied to gifts and inheritances taken in the year 2011.”.

—An tAire Airgeadais.

SECTION 66

93. In page 205, subsection (1)(a), lines 35 and 36, to delete “ “30 September” for “31 October” ” and substitute “ “30 June” for “31 August” ”.

—Michael Noonan.

94. In page 205, subsection (1)(b), lines 37 and 38, to delete “ “1 October” for “1 November” ” and substitute “ “30 June” for “31 August” ”.

—Michael Noonan.

95. In page 205, subsection (1)(c), lines 39 and 40, to delete “ “30 September” for “31 October” ” and substitute “ “30 June” for “31 August” ”.

—Michael Noonan.

SECTION 70

96. In page 206, to delete lines 27 to 35 and substitute the following:

““(c) Where the Revenue Commissioners issue a notice of attachment in respect of any amount of money due by the relevant person to the taxpayer as emoluments under a contract of service, and where the relevant person is controlled by the taxpayer within the meaning of Section 10, the notice may provide for the payment by the relevant person of the amount of the default out of the emoluments, after taking account of statutory deductions, over a period specified in the notice.”.”.

—Michael Noonan.

SECTION 76

97. In page 213, before section 76, to insert the following new section:

“Amendment of Schedule 24A (arrangements made by the Government with the government of any territory outside the State in relation to affording relief from double taxation and exchanging information in relation to tax) to Principal Act.

76.—(1) Schedule 24A to the Principal Act is amended—

- (a) in Part 1 by inserting the following before paragraph 1:

“1A. The Double Taxation Relief (Taxes on Income) (Republic of Albania) Order 2011 (S.I. No. 16 of 2011).”,

- (b) in Part 1 by substituting the following for paragraph 2:

“2. The Double Taxation Relief (Taxes on Income) (Republic of Austria) Order 1967 (S.I. No. 250 of 1967), the Double Taxation Relief (Taxes on Income and Capital Gains) (Republic of Austria) Order 1988 (S.I. No. 29 of 1988) and the Double Taxation Relief (Taxes on Income and Capital Gains) (Republic of Austria) Order 2011 (S.I. No. 30 of 2011).”,

- (c) in Part 1 by substituting the following for paragraph 14:

[ SECTION 76 ]

“14. The Double Taxation Relief (Taxes on Income and Capital and Gewerbesteuer (Trade Tax)) (Federal Republic of Germany) Order 1962 (S.I. No. 212 of 1962) and the Double Taxation Relief (Taxes on Income and on Capital) (Federal Republic of Germany) Order 2011 (S.I. No. 31 of 2011).”,

(d) in Part 1 by inserting the following after paragraph 15:

“15A. The Double Taxation Relief (Taxes on Income) (Hong Kong Special Administrative Region) Order 2011 (S.I. No. 17 of 2011).”,

(e) in Part 1 by inserting the following after paragraph 22:

“22A. The Double Taxation Relief (Taxes on Income) (State of Kuwait) Order 2011 (S.I. No. 21 of 2011).”,

(f) in Part 1 by substituting the following for paragraph 26:

“26. The Double Taxation Relief (Taxes on Income) (Malaysia) Order 1998 (S.I. No. 495 of 1998) and the Double Taxation Relief (Taxes on Income) (Malaysia) Order 2011 (S.I. No. 32 of 2011).”,

(g) in Part 1 by inserting the following after paragraph 27A:

“27B. The Double Taxation Relief (Taxes on Income) (Montenegro) Order 2011 (S.I. No. 18 of 2011).

27C. The Double Taxation Relief (Taxes on Income) (Kingdom of Morocco) Order 2011 (S.I. No. 19 of 2011).”,

(h) in Part 1 by inserting the following after paragraph 35A:

“35B. The Double Taxation Relief (Taxes on Income) (Republic of Singapore) Order 2011 (S.I. No. 34 of 2011).”,

(i) in Part 1 by substituting the following for paragraph 38:

“38. The Double Taxation Relief (Taxes on Income and Capital Gains) (Republic of South Africa) Order 1997 (S.I. No. 478 of 1997) and the Double Taxation Relief (Taxes on Income and Capital Gains) (Republic of South Africa) Order 2011 (S.I. No. 33 of 2011).”,

(j) in Part 1 by inserting the following after paragraph 41A:

“41B. The Double Taxation Relief (Taxes on Income and Capital Gains) (United Arab Emirates) Order 2011 (S.I. No. 20 of 2011).”,

(k) in Part 3 by inserting the following after paragraph 1:

“1A. The Exchange of Information Relating to Tax Matters (Antigua and Barbuda) Order 2011 (S.I. No. 22 of 2011).

1B. The Exchange of Information Relating to Tax Matters (Belize) Order 2011 (S.I. No. 23 of 2011).”,

(l) in Part 3 by inserting the following after paragraph 2:

“2A. The Exchange of Information Relating to Taxes (British Virgin Islands) Order 2011 (S.I. No. 24 of 2011).”,

[ SECTION 76 ]

(m) in Part 3 by inserting the following after paragraph 3:

“3A. The Exchange of Information Relating to Tax Matters (Cook Islands) Order 2011 (S.I. No. 25 of 2011).”,

and

(n) in Part 3 by inserting the following after paragraph 8:

“8A. The Exchange of Information Relating to Tax Matters (Republic of the Marshall Islands) Order 2011 (S.I. No. 26 of 2011).

8B. The Exchange of Information Relating to Tax Matters (Saint Lucia) Order 2011 (S.I. No. 27 of 2011).

8C. The Exchange of Information Relating to Tax Matters (Saint Vincent and the Grenadines) Order 2011 (S.I. No. 28 of 2011).

8D. The Exchange of Information Relating to Tax Matters (Samoa) Order 2011 (S.I. No. 29 of 2011).”.

(2) This section applies as on and from the date of the passing of this Act.”.

—An tAire Airgeadais.

SCHEDULE 2

**98.** In page 217, line 4, to delete “2011” and substitute “2010”.

—An tAire Airgeadais.

**99.** In page 217, line 14, to delete “2011” and substitute “2010”.

—An tAire Airgeadais.

**100.** In page 217, line 22, to delete “2011” and substitute “2010”.

—An tAire Airgeadais.

*Schedule opposed.*

—Michael Noonan.

SCHEDULE 3

**101.** In page 219, lines 32 and 33, to delete paragraph 13 and substitute the following:

“13. Section 88(5) of the Principal Act is amended by substituting “paragraph (a) or (c) of section 3” for “section 2(1)(a)”.”.

—An tAire Airgeadais.