AN BILLE AIRGEADAIS, 2013
FINANCE BILL 2013

Mar a tionscnaíodh
As initiated

ARRANGEMENT OF SECTIONS

PART 1

Income Levy, Universal Social Charge, Income Tax, Corporation Tax and Capital Gains Tax

Chapter 1

Interpretation

Chapter 2

Universal Social Charge

Chapter 3

Income Tax

[No. 11 of 2013]

PART 5

Capital Acquisitions Tax

PART 6

Miscellaneous

Broadcasting Act 2009	2009, No. 18
Capital Acquisitions Tax Consolidation Act 2003	2003, No. 1
Civil Partnership and Certain Rights and Obligations of Cohabitants Act 2010	2010, No. 24
Criminal Procedure Act 1967	1967, No. 12
Deeds of Arrangement Act 1887	50 & 51 Vict., c. 57
Dublin Transport Authority Act 2008	2008, No. 15
Finance Act 1950	1950, No. 18
Finance Act 1992	1992, No. 9
Finance Act 1993	1993, No. 13
Finance Act 1999	1999, No. 2
Finance Act 2001	2001, No. 7
Finance Act 2002	2002, No. 5
Finance Act 2003	2003, No. 3
Finance Act 2005	2005, No. 5
Finance Act 2008	2008, No. 3
Finance (No. 2) Act 2008	2008, No. 25
Finance Act 2010	2010, No. 5
Finance Act 2011	2011, No. 6
Finance Act 2012	2012, No. 9
Health Insurance Act 1994	1994, No. 16
Housing (Miscellaneous Provisions) Act 1979	1979, No. 27
Investment Limited Partnerships Act 1994	1994, No. 24
Local Government Act 2001	2001, No. 37
National Asset Management Agency Act 2009	2009, No. 34
Pensions Act 1990	1990, No. 25
Personal Insolvency Act 2012	2012, No. 44
Planning and Development Acts 2000 to 2010	
Post Office Savings Bank Act 1861	24 & 25 Vict., c. 14
Public Transport Regulations Act 2009	2009, No. 37
Road Traffic and Transport Act 2006	2006, No. 28
Stamp Duties Consolidation Act 1999	1999, No. 31
Social Welfare Consolidation Act 2005	2005, No. 26
Taxes Consolidation Act 1997	1997, No. 39
Value-Added Tax Consolidation Act 2010	2010, No. 31

AN BILLE AIRGEADAIS, 2013
FINANCE BILL 2013

BILL

entitled

AN ACT TO PROVIDE FOR THE IMPOSITION, REPEAL, REMISSION, ALTERATION AND REGULATION OF TAXATION, OF STAMP DUTIES AND OF DUTIES RELATING TO EXCISE AND OTHERWISE TO MAKE FURTHER PROVISION IN CONNECTION WITH FINANCE INCLUDING THE REGULATION OF CUSTOMS.

BE IT ENACTED BY THE OIREACHTAS AS FOLLOWS:

PART 1

Income Levy, Universal Social Charge, Income Tax, Corporation Tax and Capital Gains Tax

Chapter 1

Interpretation

Interpretation (*Part 1*).

1.—In this Part ''Principal Act'' means the Taxes Consolidation Act 1997.

Chapter 2

Universal Social Charge

Amendment of section 531AM (charge to universal social charge) of Principal Act.

2.—Section 531AM of the Principal Act is amended in the Table to subsection (1)—

(*a*) in paragraph (*a*) by deleting ''and'' in subparagraph (III) and by substituting ''Schedule 3, and'' for ''Schedule 3.'' in subparagraph (IV),

(*b*) in paragraph (*a*) by inserting the following after subparagraph (IV):

''(V) any amount transferred by an administrator under section 782A(3).'',

(*c*) in paragraph (*b*)(ii) by substituting ''subparagraphs (I) to (V)'' for ''clauses (I) to (IV)'',

(*d*) in paragraph (*b*) by substituting ''enacted,'' for ''enacted, and'' in subparagraph (I) and by substituting ''(within the meaning of that section), and'' for ''(within the meaning of that section).'' in clause (E) of subparagraph (II), and

(*e*) in paragraph (*b*) by inserting the following after subparagraph (II):

''(III) including a balancing charge in respect of any amount that would have been deducted by virtue of subparagraph (vii).''.

Amendment of section 531AN (rate of charge) of Principal Act.

3.—Section 531AN of the Principal Act is amended for the year of assessment 2013 and each subsequent year of assessment—

(*a*) by substituting the following for subsection (1):

''(1) For each tax year an individual shall be charged to universal social charge on his or her aggregate income for the tax year—

(*a*) at the rate specified in column (2) of the Table to this section corresponding to the part of aggregate income specified in column (1) of that Table where the individual is—

(i) aged under 70 years, or

(ii) aged 70 years or over at any time during the tax year and has aggregate income that exceeds €60,000,

or

(*b*) at the rate specified in column (3) of the Table to this section corresponding to the part of aggregate income specified in column (1) of that Table where the individual is aged 70 years or over at any time during the tax year and has aggregate income that does not exceed €60,000.'',

(*b*) by substituting the following for subsection (2):

''(2) Notwithstanding subsection (1) and the Table to this section, 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 rate provided for in column (2) of that Table, be charged on the amount of that excess at the rate of 10 per cent.'',

(*c*) in subsection (3) by substituting ''Notwithstanding subsection (1) and the Table to this section, where an individual is in receipt of aggregate income which does not exceed €60,000, is aged under 70 years'' for ''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

(*d*) by substituting the following for the Table to that section:

''TABLE

Part of aggregate income (1)	Rate of universal social charge (2)	Rate of universal social charge (3)
The first €10,036	2%	2%
The next €5,980	4%	4%
The remainder	7%	4%

''.

Amendment of section 531AAA (application of provisions relating to income tax) of Principal Act.

4.—Section 531AAA of the Principal Act is amended—

(*a*) in paragraph (*a*) by substituting ''Chapter 3 of that Part, in relation to the obligation to keep records, and Chapter 4'' for ''and Chapter 4'',

(*b*) in paragraph (*b*) by substituting ''income tax and the right of a Revenue officer to make enquiries'' for ''income tax'', and

(*c*) in paragraph (*d*) by substituting ''Chapters 1 and 4'' for ''Chapter 1''.

Chapter 3

Income Tax

Amendment of section 472D (relief for key employees engaged in research and development activities) of Principal Act.

5.—Section 472D of the Principal Act is amended—

(*a*) in subsection (1), in the definition of ''key employee'', by substituting ''50 per cent'' for ''75 per cent'' in each place, and

(*b*) in subsection (8) by substituting ''subsection (7)'' for ''subsection (6)''.

Amendment of section 71 (foreign securities and possessions) of Principal Act.

6.—Section 71 of the Principal Act is amended by inserting the following after subsection (3A):

''(3B) (*a*) This subsection shall apply where a person referred to in subsection (2) applies, outside the State, any income arising from securities or possessions in any place outside the State, in the making of a loan, or the transfer of money to that person's spouse or civil partner, or in the acquisition of any property which is subsequently transferred to that person's spouse or civil partner.

(*b*) Where this subsection applies, any sums received in the State on or after 13 February 2013 from—

(i) remittances payable in the State,

(ii) property imported,

(iii) money or value arising from property not imported, or

(iv) money or value so received on credit or on account in respect of such remittances, property, money or value,

which derive from the loan, or transfer of money or property referred to in paragraph (*a*), shall be treated, for the purpose of subsection (3), as if the sums received in the State had been brought into the State by the person referred to in subsection (2).''.

Amendment of sections 88A (double deduction in respect of certain emoluments) and 472A (relief for the long-term unemployed) of Principal Act.

7.—(1) Section 88A of the Principal Act is amended by inserting the following after subsection (2):

''(3) This section shall cease to have effect in respect of all claims relating to—

(*a*) emoluments payable in respect of an employment commencing on or after such day as the Minister for Finance may by order appoint, and

(*b*) the employer's contribution to the Social Insurance Fund payable, in respect of those emoluments, under the Social Welfare Acts.''.

(2) Section 472A of the Principal Act is amended—

(*a*) in subsection (1)(*a*), in the definition of ''qualifying employment'', by substituting the following for subparagraph (i):

''(i) commences on or after 6 April 1998 and before such day as the Minister for Finance may by order appoint,'',

and

(*b*) by inserting the following after subsection (6):

''(7) This section shall cease to have effect in respect of all claims relating to emoluments from an employment commencing on or after such day as the Minister for Finance may by order appoint.''.

Amendment of section 126 (tax treatment of certain benefits payable under Social Welfare Acts) of Principal Act.

8.—Section 126 of the Principal Act is amended—

(*a*) by inserting the following after subsection (2):

''(2A) (*a*) This subsection shall apply to the following benefits payable on or after 1 July 2013 under the Acts—

(i) maternity benefit,

(ii) adoptive benefit, and

(iii) health and safety benefit.

(*b*) Amounts to be paid on foot of the benefits to which this subsection applies shall be deemed—

(i) to be profits or gains arising or accruing from an employment (and accordingly tax under Schedule E shall be charged on every person to whom any such benefit is payable in respect of amounts to be paid on foot of such benefits, and tax so chargeable shall be computed under section 112(1)), and

(ii) to be emoluments to which Chapter 4 of Part 42 applies.'',

and

(*b*) in subsection (7) by substituting ''to which subsections (2A) and (3) apply'' for ''to which subsection (3) applies'' in each place.

Amendment of section 823A (deduction for income earned in certain foreign states) of Principal Act.

9.—Section 823A of the Principal Act is amended in subsection (1) by substituting the following for the definition of ''relevant state'':

'' 'relevant state' means the Federative Republic of Brazil, the Russian Federation, the Republic of India, the People's Republic of China or the Republic of South Africa, and, as regards the years of assessment 2013 and 2014, shall include the Arab Republic of Egypt, the People's Democratic Republic of Algeria, the Republic of Senegal, the United Republic of Tanzania, the Republic of Kenya, the Federal Republic of Nigeria, the Republic of Ghana or the Democratic Republic of the Congo;''.

Amendment of section 473A (relief for fees paid for third level education, etc.) of Principal Act.

10.—Section 473A of the Principal Act is amended by substituting the following for subsection (4A):

''(4A) In any claim or claims for relief under this section made by an individual in respect of qualifying fees—

(*a*) where the qualifying fees, or part of the qualifying fees, the subject of the claim or claims concerned relate to a full-time course or full-time courses—

(i) for the year of assessment 2013 there shall be disregarded the first €2,500 or the full amount of those fees, whichever is the lesser,

(ii) for the year of assessment 2014 there shall be disregarded the first €2,750 or the full amount of those fees, whichever is the lesser, and

(iii) for the year of assessment 2015 and each subsequent year of assessment there shall be disregarded the first €3,000 or the full amount of those fees, whichever is the lesser,

(*b*) where all the qualifying fees the subject of the claim or claims concerned relate only to a part-time course or part-time courses—

(i) for the year of assessment 2013 there shall be disregarded the first €1,250 or the full amount of those fees, whichever is the lesser,

(ii) for the year of assessment 2014 there shall be disregarded the first €1,375 or the full amount of those fees, whichever is the lesser, and

(iii) for the year of assessment 2015 and each subsequent year of assessment there shall be disregarded the first €1,500 or the full amount of those fees, whichever is the lesser.''.

Tax treatment of loans from employee benefit schemes.

11.—The Principal Act is amended in Chapter 2 of Part 33 by inserting the following after section 811A:

''811B.—(1) In this section—

'benefit scheme', subject to subsection (2)(c), means a trust, scheme or other arrangement and includes any settlement, disposition, covenant, agreement, transfer of money or transfer of other property or of any right to money or of any right to other property;

'employee' includes an office holder and any person who is an employee within the definition of 'employee' in section 983;

'employer' includes any person connected with an employer and any person who is an employer within the definition of 'employer' in section 983 or connected with such employer;

'loan' means any loan, advance or any form of credit;

'specified rate' means the rate specified in paragraph (iii) of the definition of 'the specified rate' in section 122.

(2) For the purposes of this section—

(*a*) any question whether a person is connected with another person shall be determined in accordance with section 10 (as it applies for the purposes of the Tax Acts),

(*b*) the loan of, or the provision of the use of, an asset shall be deemed to be a loan of an amount equal to the value of that asset at the time such loan is made or at the time such asset is provided, and

(*c*) an arrangement or agreement under which a loan, the provision of a benefit or the loan of, or the provision of the use of, an asset is made to an employee by his or her employer shall not be an arrangement or agreement within the meaning of a benefit scheme where the provisions of section 118, 118A, 121, 121A or 122 apply to such loan, the provision of such benefit or to the loan, or provision, of such asset.

(3) Where, in the year of assessment 2013 or any subsequent year of assessment, an employee or former employee or any person connected with that employee or former employee receives, directly or indirectly, from a benefit scheme—

(*a*) a payment (including a loan),

(*b*) a benefit, or

(*c*) an asset (including the loan of, or the provision of the use of, an asset),

and that scheme was, directly or indirectly, provided, funded, subscribed to or otherwise made available by that employee's employer or former employer, then—

(i) the amount of that payment,

(ii) the cost of providing that benefit or the value of that benefit at the date of provision (whichever is the greater), or

(iii) the value of that asset,

shall, to the extent that it is not otherwise chargeable to income tax, be deemed to be income of that employee for that year of assessment chargeable to income tax under Case IV of Schedule D.

(4) Where, in the year of assessment 2013 or any subsequent year of assessment, an individual or any person connected with that individual receives, directly or indirectly, from a benefit scheme—

(*a*) a payment (including a loan),

(*b*) a benefit, or

(*c*) an asset (including the loan of, or the provision of the use of, an asset),

and that scheme was, directly or indirectly, provided, funded or otherwise made available by a person who subsequently becomes that individual's employer, then for the year of assessment in which the individual becomes an employee of that employer—

(i) the amount of that payment,

(ii) the cost of providing that benefit or the value of that benefit at the date of provision (whichever is the greater), or

(iii) the value of that asset,

shall, to the extent that it is not otherwise chargeable to income tax, be deemed to be income of that individual chargeable to income tax under Case IV of Schedule D.

(5) For the purpose of subsections (3) and (4), this section applies to the receipt, directly or indirectly, on or after 13 February 2013 of a payment (including a loan), a benefit or an asset (including the loan of, or the provision of the use of, an asset) from a benefit scheme.

(6) (*a*) Where an individual has paid all of the tax due by virtue of subsection (3) or (4) and that individual—

(i) repays all or part of a loan,

(ii) ceases, for a period of at least 12 months, to have use of an asset, or

(iii) ceases, for a period of at least 12 months, to have use of a benefit,

in respect of which those subsections applied, then, on foot of a claim in writing from that individual, relief shall be given by way of offset or repayment of an amount equal to the difference between—

(I) where a loan has been repaid in full or where the use of the asset or benefit has ceased—

(A) the tax paid by virtue of subsection (3) or (4), and

(B) the tax that would have been payable by the individual as if section 118, 118A, 121, 121A or 122, as appropriate, had applied to such loan or to the provision of such asset or benefit up to the date that that loan is repaid or to the date that such asset or benefit ceases to be available to that individual, as the case may be,

or

(II) where a loan has not been repaid in full—

(A) the amount of that tax paid by virtue of subsection (3) or (4) as is attributable to the amount of that loan repaid, and

(B) the tax that would have been payable as if section 122 had applied in respect of the amount of the loan repaid up to the date that that amount is repaid.

(*b*) The relief referred to in paragraph (*a*) shall not apply where the loan, or part of the loan, referred to in that paragraph is, directly or indirectly—

(i) repaid by the individual referred to in that paragraph out of a payment (including a loan) or transfer of an asset to that individual, or to a person connected with that individual, from a benefit scheme that was, directly or indirectly, provided, funded, subscribed to or otherwise made available by the individual's employer or former employer, or

(ii) replaced by another loan that is directly or indirectly, provided, funded, subscribed to or otherwise made available by the individual's employer or former employer.

(*c*) Notwithstanding any limitation in section 865(4) on the time within which a claim for repayment of tax is required to be made or the provisions relating to the offset of tax in section 865B, a claim for the offset or

repayment referred to in paragraph (*a*) shall be made within 4 years from the end of the year of assessment in which the loan, or part of the loan, is repaid or the use of the benefit or asset, as the case may be, ceases.

(7) (*a*) This subsection applies for the year of assessment 2013 and each subsequent year of assessment where—

(i) before 13 February 2013, an employee or former employee or any person connected with that employee or former employee received, directly or indirectly, from a benefit scheme—

(I) a loan, or

(II) the loan of, or the provision of the use of, an asset,

and that scheme was, directly or indirectly, provided, funded, subscribed to or otherwise made available by that employee's employer or former employer, and

(ii) at any time in the year of assessment—

(I) the loan referred to in subparagraph (i)(I), or any part thereof, remains outstanding, or

(II) the employee or former employee continues to have the loan of or the use of the asset referred to in subparagraph (i)(II).

(*b*) Where for any year of assessment that this subsection applies, then, in relation to a loan referred to in paragraph (*a*)(i)(I), an amount equal to—

(i) if no interest is paid, the amount of interest that would have been payable in that year of assessment if interest had been payable at a rate equal to the specified rate, or

(ii) if interest is paid at a rate less than the specified rate, the difference between the aggregate amount of interest paid in that year of assessment and the amount of interest which would have been payable in that year if interest had been payable at a rate equal to the specified rate,

shall, if not otherwise chargeable to income tax, be deemed to be income of that employee or former employee for that year of assessment chargeable to income tax under Case IV of Schedule D and any reference to interest paid in subparagraph (i) or (ii) does not include an increase in the outstanding balance on the loan or loans or interest paid out of a further loan or advance made, directly or indirectly, by a benefit scheme or employer referred to in paragraph (*a*)(i).

(*c*) Where for any year of assessment that this subsection applies, then, in relation to the provision of the loan of, or the provision of the use of, an asset referred to in paragraph (*a*)(i)(II), there shall, if not otherwise chargeable to income tax, be deemed to be income of that employee or former employee for that year of assessment chargeable to income tax under Case IV of Schedule D an amount equal to an amount that would, if section 118, 118A, 119, 121, 121A or 122 had applied in respect of the loan of, or the provision of the use of, that asset be deemed to be an expense, emolument or perquisite chargeable to tax under Schedule E by virtue of those sections.

(8) This section shall not apply to a scheme approved for the purposes of Part 17 or 30.''.

Benefit in kind: miscellaneous amendments.

12.—The Principal Act is amended, as respects the year of assessment 2013 and subsequent years of assessment—

(*a*) in section 116(1) by inserting the following definition—

'' 'employee' includes the holder of an office;'',

(*b*) in section 118(5A)(*a*) by inserting the following after ''approved transport providers'':

''and which must be for a service for which the approved transport provider is contracted or licensed'',

(*c*) in section 118(5A) by substituting the following for paragraph (*b*):

''(*b*) In this subsection 'approved transport provider' means—

(i) a public transport operator within the meaning of section 2 of the Dublin Transport Authority Act 2008,

(ii) the holder of a licence in respect of a public bus passenger service under Part 2 of the Public Transport Regulation Act 2009, or

(iii) a person who provides a ferry service within the State, operating a vessel which holds a current valid—

(I) passenger ship safety certificate,

(II) passenger boat licence, or

(III) high-speed craft safety certificate,

issued by the Minister for Transport, Tourism and Sport.'',

(*d*) in section 118B(2)(*b*) by substituting ''the payment of emoluments by an employer'' for ''an emolument of the individual'',

(*e*) in section 118B(3) by substituting ''the payment of emoluments by an employer'' for ''an emolument of the individual'',

(*f*) in section 118B(4) by substituting ''the payment of emoluments by an employer'' for ''an emolument of the individual'',

(*g*) in section 118B(5) by substituting ''the payment of emoluments by an employer'' for ''an emolument of the individual'',

(*h*) in section 120(1) by inserting '', public bodies'' after ''unincorporated societies'',

(*i*) in section 120 by inserting the following after subsection (3):

''(4) (*a*) This subsection applies where an expense, which if it had been incurred by a body corporate would be an expense of the kind mentioned in subsection 118(1)(*a*), is incurred by a public body in relation to a person who holds an office or exercises an employment in that or in another public body.

(*b*) Where this subsection applies the expense shall be treated for the purposes of this Chapter as if it had been incurred by the public body in which the office is held or the employment is exercised and as if that public body was a body corporate.

(5) For the purposes of this section 'public body' means—

(*a*) the Civil Service of the Government and the Civil Service of the State,

(*b*) the Garda Síochána, or

(*c*) the Permanent Defence Force.'',

and

(*j*) in section 122(1)(*a*), in the definition of ''the specified rate'', by substituting—

(i) ''4 per cent'' for ''5 per cent'' in each place, and

(ii) ''13.5 per cent'' for ''12.5 per cent''.

13.—(1) The Principal Act is amended— Ex gratia payments: miscellaneous amendments.

(*a*) in section 201 by substituting the following for subsection (2):

''(2) (*a*) Income tax shall not be charged by virtue of section 123 in respect of the following payments:

(i) an amount not exceeding €200,000 of any payment made—

(I) in connection with the termination of the holding of an office or employment by the death of the holder, or

(II) on account of injury to or disability of the holder of an office or employment;

(ii) any sum chargeable to tax under section 127;

(iii) a benefit provided pursuant to any retirement benefits scheme where, under section 777, the employee (within the meaning of that section) was chargeable to tax in respect of sums paid, or treated as paid, with a view to the provision of the benefit;

(iv) a benefit paid in pursuance of any scheme or fund described in section 778(1).

(*b*) Where paragraph (*a*)(i) applies to any payment, or any part of a payment—

(i) the exemptions from income tax provided by virtue of any other provision of this section (other than subsection (1A)) and Schedule 3, or

(ii) any deduction in computing the charge to income tax under paragraph 6 of Schedule 3,

shall not apply to the excess of any such payment.'',

(*b*) in section 201(2A) by inserting '', or any part of a payment,'' after ''Where a payment'',

(*c*) in section 201(2A)(*d*) by inserting '', or part of the payment,'' after ''the payment'',

(*d*) in section 201 by inserting the following after subsection (4):

''(4A) Subsection (4) ceases to have effect for payments made on or after the date of the passing of this Act.'',

(*e*) in Schedule 3 by inserting the following in Part 2 after paragraph 9:

''9A. Paragraph 9 ceases to have effect for payments made on or after the date of the passing of this Act.'',

and

(*f*) in Schedule 3 by inserting the following in Part 3 after paragraph 12:

''13. (*a*) Notwithstanding section 201, paragraph 10 shall cease to apply to any payment of €200,000 or more which is made on or after

1 January 2013 and which is chargeable to income tax under section 123.

(*b*) Paragraphs 11 and 12 shall apply for the purposes of this paragraph.''.

(2) *Paragraphs (a), (b)* and *(c)* of *subsection (1)* shall apply as respects payments made on or after the date of the passing of this Act.

Amendment of section 470 (relief for insurance against expenses of illness) of Principal Act.

14.—As respects the year of assessment 2013 and subsequent years of assessment section 470 of the Principal Act is amended in subsection (1), in the definition of ''relievable amount'', by inserting ''and credit due (if any) under a risk equalisation scheme (within the meaning of the Health Insurance Act 1994)'' after ''section 470B(4)'' in each place.

Amendment of section 70 (Case III: basis of assessment) of Principal Act.

15.—Section 70 of the Principal Act is amended by inserting the following after subsection (1):

''(1A) (*a*) In this subsection 'excluded amount' means the amount of the deficiency where—

(i) the computation of income arising in respect of a possession outside the State gives rise to a deficiency, and

(ii) income arising in respect of that possession would be chargeable under Case V of Schedule D if the possession was in the State.

(*b*) Nothing in subsection (1) shall be construed as meaning that an excluded amount can be taken into account in computing the income or profits chargeable under Case III of Schedule D.''.

Retirement benefits.

16.—(1) Chapter 1 of Part 30 of the Principal Act is amended—

(*a*) in section 772 by inserting the following after subsection (3H):

''(3I) A retirement benefits scheme shall neither cease to be an approved scheme nor shall the Revenue Commissioners be prevented from approving a retirement benefits scheme for the purposes of this Chapter because of any provision in the rules of the scheme allowing a member or, as the case may be, where the scheme is subject to a pension adjustment order, the spouse or former spouse or civil partner or former civil partner of the member, to avail of an option in accordance with section 782A.'',

and

(*b*) by inserting the following section after section 782:

''Pre-retirement access to AVCs.

782A.—(1) (*a*) In this section—

'accumulated value', in relation to

relevant AVC contributions, means—

(i) where the contributions are contributions of a kind referred to in paragraph (i) of the definition of 'relevant AVC contributions', the amount which the trustees determine to be equal to the realisable value of the portion of the resources of the scheme that, in accordance with the rules of the scheme, represents those contributions, less the amount of so much of the expenses of the scheme as, under the rules of the scheme, are to be discharged out of that portion, and

(ii) where the contributions are contributions of a kind referred to in paragraph (ii) of the definition of 'relevant AVC contributions', the amount which the PRSA administrator determines to be equal to the realisable value of the resources of the PRSA contract that, in accordance with the terms of the contract, represents those contributions, less the amount of the expenses of the contract as, under the terms of the contract, are to be discharged out of the realisable value;

'administrator', in relation to an AVC fund, means the person or persons having the management of the fund;

'AVC fund' means the accumulated value of relevant AVC contributions made by a member, other than the accumulated value of relevant AVC contributions of a kind referred to in paragraph (ii) of the definition of that term where benefits have become payable to

the member under the main scheme;

'designated benefit' and 'pension adjustment order' have the meanings assigned to them in section 787O(5)(*a*);

'member', in relation to a scheme, means any person who, having been admitted to membership under the rules of the scheme, remains entitled to any benefit under the scheme;

'PRSA administrator' has the meaning assigned to it in section 787A(1);

'relevant AVC contributions' means—

(i) additional voluntary contributions within the meaning of section 770(1), and

(ii) additional voluntary PRSA contributions within the meaning of section 787A(1),

made for the purpose of providing relevant benefits on retirement and include such additional voluntary contributions representing a transfer of additional voluntary contributions from a retirement benefits scheme or a PRSA, as the case may be, but shall not include such additional voluntary contributions made under a purchase of notional service scheme;

'relevant individual' means a member of a scheme who has an AVC fund and, as the case may be, where the AVC fund is subject to a pension adjustment order includes the spouse or former spouse or civil partner or former civil partner of the member;

'scheme' means an approved scheme or a statutory scheme;

'specified period' means the period of 3 years from the date of passing of the *Finance Act 2013*.

(*b*) For the purposes of this section, where an AVC fund is subject to a pension adjustment order,

each relevant individual shall be deemed to have a separate AVC fund the value of which shall be determined as if the designated benefit pursuant to the order was payable at the time of the transfer provided for in subsection (3).

(*c*) For the purposes of this section, relevant AVC contributions shall not include—

(i) any sum paid by means of contribution, howsoever described, at any time by an employer (within the meaning of section 787A) to a scheme or to a PRSA,

(ii) contributions (which are not voluntary contributions) made at any time by a member to a scheme at the rate or rates specified for member's contributions in the rules of the scheme or otherwise, or

(iii) contributions (which are not additional voluntary contributions of a kind referred to in subparagraph (ii) of the definition of 'relevant AVC contributions') made at any time by a member to a PRSA.

(2) Notwithstanding section 32 of the Pensions Act 1990 or the provisions of a pension adjustment order made in relation to a relevant individual, a relevant individual may during the specified period irrevocably instruct in writing the administrator of his or her AVC fund to exercise, on one occasion

only, the option (in this section referred to as the 'pre-retirement access option') provided for in subsection (3).

(3) The pre-retirement access option is the transfer by the administrator to the relevant individual, before retirement, of an amount not exceeding 30 per cent of the value, at the time of the transfer, of the relevant individual's AVC fund.

(4) (*a*) The amount transferred by an administrator to a relevant individual in accordance with subsection (3) shall, notwithstanding section 780, be treated as a payment to the individual of emoluments to which Schedule E applies and accordingly the provisions of Chapter 4 of Part 42 shall apply to any such payment, and

(*b*) the administrator shall deduct tax from the amount transferred at the higher rate for the year of assessment in which the payment is made unless the administrator has received from the Revenue Commissioners a certificate of tax credits and standard rate cut-off point or a tax deduction card for that year in respect of the individual.

(5) Where an administrator receives an irrevocable instruction referred to in subsection (2) the administrator shall keep and retain for a period of 6 years each such instruction and on being so required by notice given to the administrator in writing by an officer of the Revenue Commissioners make available within the time specified in the notice such instructions as may be required by the notice.

(6) Where a pre-retirement access option is exercised in respect

of a relevant individual in accordance with subsection (3) the amount transferred shall not be a benefit crystallisation event (within the meaning of section 787O(1)) for the purposes of Chapter 2C and Schedule 23B.''.

(2) Chapter 2 of Part 30 of the Principal Act is amended—

(*a*) in subsection (2) of section 784C by substituting the following for all of the words from and including ''shall be the lesser of'' to the end of that subsection:

''shall be the lesser of—

(i) the amount referred to as A in that formula, and

(ii) €63,500.'',

(*b*) in section 784C(3) by substituting the following for paragraph (*b*):

''(*b*) €63,500.'',

and

(*c*) in section 784C(4) by substituting the following for paragraph (*a*):

''(*a*) Where, at the date of exercise of an option under section 784(2A), the individual by whom the option is exercised is in receipt of specified income amounting to €12,700 per annum, the amount referred to as B in the formula in that section shall be nil.''.

(3) Chapter 2A of Part 30 of the Principal Act is amended in section 787K by inserting the following after subsection (2B):

''(2C) A PRSA product (within the meaning of Part X of the Pensions Act 1990) shall neither cease to be an approved product under section 94 of that Act nor shall the Revenue Commissioners be prevented from approving a product under that section notwithstanding that the product permits the PRSA administrator to make an amount available from the PRSA assets to the PRSA contributor or, as the case may be, where the PRSA is subject to a pension adjustment order, to the spouse or former spouse or civil partner or former civil partner of the PRSA contributor (in this subsection referred to as the 'relevant individual') on foot of the relevant individual availing of an option in accordance with section 782A.''.

(4) (*a*) Schedule 23 to the Principal Act is amended in Part 1 by inserting the following after paragraph 2B:

''*Information to be provided in respect of pre-retirement access to additional voluntary contributions*

2C. (1) An administrator (within the meaning of section 782A(1)(*a*) shall, within 7 working days of the

end of each quarter commencing with the quarter ending on 30 June 2013, deliver to the Revenue Commissioners, by such electronic means as are required or approved by the Commissioners, the following information in respect of amounts transferred under section 782A during the quarter—

(*a*) the number of transfers made,

(*b*) the aggregate value of the transfers made, and

(*c*) the tax deducted from the aggregate value of the transfers made.

(2) In this paragraph 'quarter' means a period of 3 consecutive months ending on 31 March, 30 June, 30 September or 31 December.''.

(*b*) The Principal Act is amended by inserting the following Schedule after Schedule 23B:

Part 30, Chapter 1 ''SCHEDULE 23C

PRE-RETIREMENT ACCESS TO PRSA AVCs

Information to be provided in respect of pre-retirement access to additional voluntary PRSA contributions

1. An administrator (within the meaning of section 782A(1)(*a*)), who is a PRSA administrator (within the meaning of that provision), shall, within 7 working days of the end of each quarter commencing with the quarter ending on 30 June 2013, deliver to the Revenue Commissioners, by such electronic means as are required or approved by the Commissioners, the following information in respect of amounts transferred under section 782A during the quarter—

(*a*) the number of transfers made,

(*b*) the aggregate value of the transfers made, and

(*c*) the tax deducted from the aggregate value of the transfers made.

2. In this Schedule 'quarter' means a period of 3 consecutive months ending on 31 March, 30 June, 30 September or 31 December.''.

(5) Paragraph (*f*) of subsection (2) of section 19 of the Finance Act 2011 shall be deemed to have had effect on and from 6 February 2011 as if paragraph (*c*) of section 19(7) of that Act had never applied to the said paragraph (*f*).

(6) (*a*) In this subsection—

''approved minimum retirement fund'' has the meaning assigned to it by section 784C(1) of the Principal Act;

''non ring-fenced amount'', in relation to a vested PRSA, means the amount in the vested PRSA other than the ring-fenced amount;

''Personal Retirement Savings Account'', ''contributor'' and ''PRSA administrator'' have the meanings assigned to them by section 787A(1) of the Principal Act;

''relevant option'' means an option exercised in accordance with section 772(3A)(*a*), 784(2A) or 787H(1) of the Principal Act;

''ring-fenced amount'', in relation to a vested PRSA, means an amount retained within the vested PRSA by the PRSA administrator equivalent to the amount which the PRSA administrator would, if an option had been exercised in accordance with section 787H(1) of the Principal Act, have had to transfer to an approved minimum retirement fund in accordance with section 784C and by virtue of section 787H(3) of that Act;

''specified income'' has the meaning assigned to it by section 784C(4)(*b*) of the Principal Act;

''vested PRSA'' means a Personal Retirement Savings Account in respect of which assets have first been made available to, or paid to, the contributor by the PRSA administrator on or after 6 February 2011, and the term ''vesting of a PRSA'' shall be construed accordingly.

(*b*) Where on or after 6 February 2011 and before the date of passing of this Act a relevant option is exercised by an individual, or an individual has a vested PRSA and in the exercise of the relevant option or in the vesting of the PRSA, an amount or value of assets is transferred to an approved minimum retirement fund or, as the case may be, is a ring-fenced amount (in this paragraph referred to as the ''relevant amount''), then where the individual—

(i) has specified income of not less than €12,700 on or after the date of passing of this Act—

(I) the approved minimum retirement fund shall thereupon become an approved retirement fund (in respect of which section 784A and subsections (1) and (5) of section 784B of the Principal Act shall accordingly apply), or

(II) the ring-fenced amount shall thereupon become part of the non ring-fenced amount in the vested PRSA,

or

(ii) has specified income of less than €12,700 on the date of passing of this Act in circumstances where the relevant amount is greater than €63,500—

(I) the approved minimum retirement fund shall, to the extent of the excess of the relevant amount over €63,500, thereupon become an approved retirement fund (in respect of which section 784A and subsections (1) and (5) of section 784B of the Principal Act shall accordingly apply), or

(II) the ring-fenced amount shall, to the extent of the excess of the relevant amount over €63,500, thereupon become part of the non ring-fenced amount in the vested PRSA.

(7) (*a*) *Subsections (1), (3), (4), (5)* and *(6)* have effect from the date of passing of this Act.

(*b*) *Subsection (2)* shall apply as respects the exercise of an option in accordance with section 772(3A)(*a*), 784(2A) or 787H(1) of the Principal Act on or after the date of passing of this Act.

Provisions relating to loss relief.

17.—(1) The Principal Act is amended—

(*a*) in Chapter 6 of Part 4 by inserting the following after section 87:

"Release of debts in certain trades.

87B.—(1) In this section—

'specified debt' means any debt incurred by an individual in respect of borrowed money employed in the purchase or development of land held as trading stock (within the meaning of section 89) of a specified trade;

'specified trade' means a trade, or a business which is deemed to be a trade by virtue of section 640(2)(*a*), consisting of or including dealing in or developing land to which Chapter 1 of Part 22 applies;

'tax year' means a year of assessment.

(2) If at any time the whole or part of a specified debt of an individual who is engaged in a specified trade is released, the amount released shall be treated as a receipt of the specified trade arising in the tax year in which the release is effected.

(3) If, in any case referred to in subsection (2), the specified trade has been permanently discontinued or is treated for tax purposes as if it had been so discontinued, in a tax year before the release was effected, section 91 shall apply as if the amount released were a sum received after the discontinuance.

(4) For the purposes of this section, the release of the whole or part of a specified debt is treated as having been effected on the earliest of the following dates—

(*a*) the date when the lender has confirmed that release to the borrower,

(*b*) the date on which the lender and the borrower have first come to an agreement (whether formal or informal) that the debt or part of

the debt is no longer required to be repaid,

(*c*) in a case in which the agreement under which the money was borrowed provides for any release or non-collection of the debt or part of the debt, the date when the conditions necessary for that release or non-collection are first satisfied, or

(*d*) in a case in which the release is a result of—

(i) a discharge from bankruptcy, or

(ii) a discharge from debt under the provisions of the Personal Insolvency Act 2012,

the date of that discharge.'',

(*b*) in section 91(4) by inserting ''or 87B'' after ''by virtue of section 87'',

(*c*) in section 381(1) by inserting ''and section 381A'' after ''Subject to this section'', and

(*d*) by inserting the following after section 381:

''Restriction of loss relief in certain cases.

381A.—(1) In this section—

'aggregate income for the tax year' has the same meaning as in section 531AL;

'specified loss', in relation to a tax year and a specified trade, means any loss sustained in the course of the specified trade, which is referable to a deduction allowed in computing the profits or gains of the trade, in respect of either or both—

(*a*) interest on borrowed money employed in the purchase or development of land which is held as trading stock (within the meaning of section 89) of the trade, and

(*b*) any reduction in the value of land held as trading stock (within the meaning of section 89) of the trade;

'specified trade' means a trade, or a business which is deemed to be a trade by virtue of section 640(2)(*a*), consisting of or including dealing in or developing land to which Chapter 1 of Part 22 applies;

'specified trader', in relation to a specified trade and a tax year, means an individual in respect of whom that part of the total of the individual's aggregate income for the tax year and the 2 immediately preceding tax years deriving from the specified trade is less than 50 per cent of the total for those 3 tax years of the individual's aggregate income for the tax year;

'tax year' means a year of assessment.

(2) Subject to subsection (3), a claim to repayment of income tax under section 381 may not be made as respects a specified loss sustained by a specified trader in a tax year where the specified loss—

(*a*) is in respect of interest, unless the interest has been paid, or

(*b*) is in respect of a reduction in the value of land, unless the loss has been realised by way of a disposal of the land,

prior to the claim being made.

(3) Section 381 shall not apply as respects any specified loss where the disposal of the land to which subsection (2)(*b*) refers is to a connected person (within the meaning of section 10).

(4) For the purposes of determining the amount of any interest which has been paid, and which is referable to a specified loss sustained in any particular tax year, interest is treated as having been paid in respect of an earlier tax year in preference to a later tax year.

(5) For the purposes of determining the amount of a specified loss sustained in any particular tax year which is referable to a deduction allowed in respect of either interest or a reduction in the value of land—

(*a*) the deduction allowed in respect of interest is treated as being deducted after all other deductions, and

(*b*) the deduction allowed in respect of a reduction in the value of land is treated as being deducted immediately prior to the deduction allowed in respect of interest.''.

(2) *Subsection (1)* comes into operation—

(*a*) as respects *paragraphs (a)* and *(b)*, in respect of any specified debt (within the meaning of section 87B (inserted by paragraph *(a)*) of the Principal Act) released on or after 13 February 2013, and

(*b*) as respects *paragraphs (c)* and *(d)*, in respect of interest becoming payable or a reduction in the value of land held as trading stock (within the meaning of section 89 of the Principal Act) occurring on or after 13 February 2013.

CHAPTER 4

Income Levy, Income Tax, Corporation Tax and Capital Gains Tax

Donations to approved bodies.

18.—(1) The Principal Act is amended in section 848A—

(*a*) in subsection (1)(*a*) by deleting the definition of ''appropriate certificate'',

(*b*) in subsection (1)(*a*) by inserting the following definitions:

'' 'annual certificate', in relation to a relevant donation to an approved body by a donor who is an individual, means a certificate which is in such form as the Revenue Commissioners may prescribe and which contains—

(i) statements to the effect that—

(I) the donation satisfies the requirements of subsection (3),

(II) the donor has paid or will pay to the Revenue Commissioners income tax of an amount equal to income tax at the specified rate for the relevant year of assessment on the grossed up amount of the donation, but not being—

(A) income tax which the donor is entitled to charge against any other person or to deduct, retain or satisfy out of any payment which the donor is liable to make to any other person, or

(B) appropriate tax within the meaning of Chapter 4 of Part 8,

and

(III) the donor acknowledges that the provisions of subsection (9B) apply to a repayment of tax to an approved body,

and

(ii) the personal public service number of the donor,

and includes a certificate which has been renewed by the donor with the approved body in a manner approved by the Revenue Commissioners for the subsequent year of assessment;

‘enduring certificate’, in relation to a relevant donation to an approved body by a donor who is an individual, means a certificate which is in such form as the Revenue Commissioners may prescribe and which contains—

(i) the year of assessment from which the certificate applies,

(ii) statements to the effect that the donor is aware that—

(I) a donation made during the specified period (in this definition referred to as the ‘first specified period’) has to satisfy the requirements of subsection (3),

(II) income tax of an amount equal to income tax at the specified rate for the relevant year of assessment on the grossed up amount of a donation has been or will be paid to the Revenue Commissioners, but not being—

(A) income tax which the donor is entitled to charge against any other person or to deduct, retain or satisfy out of any payment which the donor is liable to make to any other person, or

(B) appropriate tax within the meaning of Chapter 4 of Part 8,

and

(III) the donor acknowledges that the provisions of subsection (9B) apply to a repayment of tax to an approved body,

and

(iii) the personal public service number of the donor,

and includes a certificate which has been renewed by the donor with the approved body in a manner approved by the Revenue Commissioners for the specified period immediately succeeding the first specified period;

‘personal public service number’ has the same meaning as in section 262 of the Social Welfare Consolidation Act 2005;

‘specified period’, in relation to an enduring certificate, means the year of assessment from which the certificate applies and each of the 4 immediately succeeding years of assessment;

‘specified rate’ means 31 per cent;’’,

(*c*) in subsection (1) by substituting the following for paragraph (*b*):

''(*b*) For the purposes of this section and in relation to a donation by a donor who is an individual, references to the grossed up amount are to the amount which after deducting income tax at the specified rate for the relevant year of assessment leaves the amount of the donation.'',

(*d*) in subsection (1) by inserting the following after paragraph (*b*):

''(*ba*) An annual certificate renewed by a donor in the manner referred to in the definition of 'annual certificate' shall be deemed to contain the statements referred to in paragraph (i) of that definition.

(*bb*) An enduring certificate renewed by a donor in the manner referred to in the definition of 'enduring certificate' shall be deemed to contain the statements referred to in paragraph (ii) of that definition.'',

(*e*) in subsection (2) by substituting ''the provisions of subsection (4) or (9),'' for ''the provisions of subsection (4), subsection (7) or subsection (9),'',

(*f*) in subsection (3)(*e*) by substituting the following for subparagraphs (ii) and (iii):

''(ii) has given an annual certificate or, as the case may be, an enduring certificate in relation to the donation to the approved body, and

(iii) has, for the relevant year of assessment, paid the tax referred to in such annual certificate or enduring certificate, as the case may be, and is not entitled to claim a repayment of that tax or any part of that tax.'',

(*g*) in subsection (3A) by substituting the following for paragraph (*a*):

''(*a*) Notwithstanding any other provision of this section, where—

(i) the aggregate of the amounts of all donations made by an individual in any year of assessment to an approved body or approved bodies is in excess of €1,000,000, or

(ii) the aggregate of the amounts of all donations made by an individual in any year of assessment to an approved body or approved bodies with which the individual is associated is in excess of 10 per cent of the total income of the individual for that year of assessment,

the amount of the excess in each case shall not be treated as a relevant donation for the purposes of this section.'',

(*h*) in subsection (6)—

(i) by deleting ''or in a year of assessment'', and

(ii) by substituting ''amount'' for ''amounts'',

(*i*) by deleting subsections (7) and (8),

(*j*) by substituting the following for subsection (9):

''(9) Where a donation is a relevant donation made to an approved body by a donor who is an individual, the Tax Acts shall apply in relation to the approved body as if—

(*a*) the grossed up amount of the donation were an annual payment which was the income of the approved body received by it under deduction of tax in the amount and at the specified rate of tax for the relevant year of assessment, and

(*b*) the provisions of those Acts which apply in relation to a claim to repayment of tax applied in relation to any claim to repayment of such tax by an approved body;

but, if the total amount of the tax referred to in paragraph (i) of the definition of 'annual certificate' or paragraph (ii) of the definition of 'enduring certificate', as the case may be, is not paid, the amount of any repayment which would otherwise be made to an approved body in accordance with this section shall not exceed the amount of tax actually paid by the donor.'',

(*k*) by inserting the following after subsection (9A):

''(9B) Where a repayment of tax has been made to an approved body in accordance with this section, the amount of tax so repaid shall not be regarded as tax paid by the donor for the purposes of a repayment of tax to that donor under section 865 or any other provision of the Income Tax Acts.'',

(*l*) in subsection (10) by substituting ''annual certificate or enduring certificate, as the case may be,'' for ''appropriate certificate'', and

(*m*) in subsection (11) by substituting ''annual certificate or enduring certificate, as the case may be,'' for ''appropriate certificate''.

(2) Schedule 25B to the Principal Act is amended by deleting ''Reference Number 52'' and the matter set out opposite that reference number.

(3) This section shall apply as respects a relevant donation (within the meaning of section 848A of the Principal Act) made on or after 1 January 2013.

19.—(1) Chapter 2 of Part 23 of the Principal Act is amended— Farm taxation.

(*a*) in section 666(4)—

(i) in paragraph (*a*) by substituting ''31 December 2015'' for ''31 December 2012'', and

(ii) in paragraph (*b*) by substituting ''year 2015'' for ''year 2012'',

(*b*) in section 667B by substituting the following for subsection (1):

''(1) In this section 'qualifying farmer' means an individual—

(*a*) (i) who in the year of assessment 2007 or any subsequent year of assessment first qualifies for grant aid under the scheme of Installation Aid for Young Farmers operated by the Department of Agriculture, Food and the Marine under Council Regulation (EEC) No. 797/85 of 12 March 1985[1] or that Regulation as may be revised from time to time, or

(ii) who—

(I) first becomes chargeable to income tax under Case I of Schedule D in respect of profits or gains from the trade of farming for the year of assessment 2007 or any subsequent year of assessment,

(II) has not attained the age of 35 years at the commencement of the year of assessment referred to in clause (I), and

(III) at any time in the year of assessment so referred to satisfies the conditions set out in subsection (2) or (3),

and

(*b*) who, where the requirements of subparagraph (i) or (ii) of paragraph (*a*) are first satisfied in the year of assessment 2012 or any subsequent year of assessment (in this paragraph referred to as the 'first year of assessment'), submits a business plan to—

(i) Teagasc, for the purpose of this section, or

(ii) Teagasc or the Minister for Agriculture, Food and the Marine, for any other purpose,

on or before 31 October in the year following the first year of assessment.'',

(*c*) in section 667B(5)(*b*) by substituting ''31 December 2015'' for ''31 December 2012'',

[1]OJ No. L93, 30.3.1985, p.6

(*d*) in section 667B by inserting the following after subsection (5):

''(5A) (*a*) In this subsection—

'qualifying period', in relation to a qualifying farmer, means the year of assessment in which an individual becomes a qualifying farmer and each of the 3 immediately succeeding years of assessment;

'relevant tax' means any income tax or universal social charge;

'relief' means an amount equivalent to an amount determined by the formula—

$$A - B$$

where—

A is the amount of relevant tax that would be payable by a qualifying farmer for a year of assessment falling within the qualifying period computed as if subsection (5) had not been enacted, and

B is the amount of relevant tax payable by the qualifying farmer for that year of assessment.

(*b*) Where a qualifying period commences in the year of assessment 2012 or any subsequent year of assessment, the qualifying farmer shall be entitled to relief in respect of deductions under section 666(1), by virtue of subsection (5), of an amount not exceeding—

(i) in the aggregate in the qualifying period, €70,000, and

(ii) in any one year of assessment falling within the qualifying period, €40,000.'',

(*e*) in section 667B(6) by substituting ''in paragraph (*a*)(ii)(III) of the definition of 'qualifying farmer' in subsection (1)'' for ''in paragraph (*b*)(iii) of the definition of 'qualifying farmer' in subsection (1)'',

(*f*) in section 667B by inserting the following after subsection (6):

''(7) This section shall apply to a qualifying farmer who comes within the definition of 'small and medium-sized enterprises' in Article 2 of Commission Regulation (EC) No. 1857/2006 of 15 December 2006[2], and in respect

[2]OJ No. L358, 16.12.2006, p.7

of whom subsection (5) applies for the year of assessment 2012 or any subsequent year of assessment.'',

(*g*) in section 667C(1) by substituting the following for the definition of 'registered farm partnership':

'' 'registered farm partnership' means—

(*a*) a milk production partnership within the meaning of the European Communities (Milk Quota) Regulations 2008 (S.I. No. 227 of 2008), and

(*b*) a farm partnership included on a register of farm partnerships established by regulations made under subsection (4A).'',

and

(*h*) in section 667C by inserting the following after subsection (4):

''(4A) (*a*) The Minister for Agriculture, Food and the Marine (in this subsection referred to as the 'Minister'), after consultation with and with the approval of the Minister for Finance, may by regulations establish and maintain a register of farm partnerships (in this subsection referred to as the 'register') and those regulations may provide for—

(i) the form and manner of registration of a farm partnership on the register,

(ii) the conditions with which a farm partnership shall comply,

(iii) the minimum and maximum number of persons who may participate in a farm partnership,

(iv) the assignment of a unique identifier to a farm partnership included on the register,

(v) procedures for addressing non-compliance with the conditions referred to in subparagraph (ii), and

(vi) such supplemental and incidental matters as appear to the Minister to be necessary and appropriate.

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

anything previously done under the regulation.''.

(2) (*a*) *Paragraphs (a)* to *(f)* of *subsection (1)* come into operation on such day or days as the Minister for Finance may by order or orders appoint and different days may be appointed for different purposes or different provisions.

(*b*) *Paragraphs (g)* and *(h)* of *subsection (1)* have effect from the date of passing of this Act.

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

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

(*a*) in subsection (1) by deleting the definition of ''allowable investor company'',

(*b*) in subsection (1) by substituting the following for the definition of ''film'':

'' 'film' means—

(*a*) a film of a kind which is included within the categories of films eligible for certification by the Revenue Commissioners under subsection (2A), as specified in regulations made under subsection (2E), and

(*b*) as respects every film, a film which is produced—

(i) on a commercial basis with a view to the realisation of profit, and

(ii) wholly or mainly for exhibition to the public in cinemas or by means of broadcast,

but does not include a film made for exhibition as an advertising programme or as a commercial;'',

(*c*) in subsection (1) by substituting the following for the definition of ''the Minister'':

'' 'the Minister' means the Minister for Arts, Heritage and the Gaeltacht;'',

(*d*) in subsection (1) by deleting the definition of ''qualifying individual'',

(*e*) in subsection (1) by substituting the following for the definition of ''qualifying period'':

'' 'qualifying period', in relation to a film corporation tax credit specified in a film certificate, means—

(*a*) the accounting period of the producer company, in respect of which the specified return date for the chargeable period, within the meaning of section 959A, immediately precedes the date the application referred to in subsection (2A)(*a*) was made, or

(*b*) where the accounting period referred to in paragraph (*a*) is a period of less than 12 months, the period—

(i) commencing on the date on which the most recently commenced accounting period, which commences on or before the date which is 12 months before the end of the accounting period referred to in paragraph (*a*) commences, and

(ii) ending on the date the accounting period referred to in paragraph (*a*) ends,

and references in subsection (3) to corporation tax and corporation tax paid shall be construed accordingly;'',

(*f*) in subsection (1) by deleting the definition of ''relevant deduction'',

(*g*) in subsection (1) by deleting the definition of ''relevant investment'',

(*h*) in subsection (1) by deleting the definition of ''specified relevant person'',

(*i*) in subsection (1) by inserting the following definitions:

'' 'broadcast' and 'broadcaster' have the meanings assigned to them by section 2 of the Broadcasting Act 2009;

'film corporation tax credit', in relation to a qualifying film, means an amount equal to 32 per cent of the lowest of—

(*a*) the eligible expenditure amount,

(*b*) 80 per cent of the total cost of production of the film, and

(*c*) €50,000,000;

'producer company', in relation to a film corporation tax credit specified in a film certificate, means a company that—

(*a*) is resident in the State, or is resident in an EEA State other than the State and carries on business in the State through a branch or agency,

(*b*) commencing not later than the time the qualifying period commences, carries on a trade of producing films—

(i) on a commercial basis with a view to the realisation of profit, and

(ii) that are wholly or principally for exhibition to the public in cinemas or by means of broadcast,

(*c*) is not a company, or a company connected to a company—

(i) that is a broadcaster, or

(ii) in the case of—

(I) a company, whose business consists wholly or mainly, or

(II) a company connected to another company, where the aggregate of the activities carried on by the company and every company to which it is connected, consists wholly or mainly,

of transmitting films on the internet,

(*d*) holds all of the shares in the qualifying company, and

(*e*) has delivered to the Collector-General, on or before the specified return date, a return, in accordance with section 959I, in respect of—

(i) the accounting period referred to in paragraph (*a*) of the definition of 'qualifying period', or

(ii) each accounting period ending in the qualifying period, referred to in paragraph (*b*) of that definition,

as the case may be;

'specified amount' has the meaning given to it by subsection (3)(*b*);

'specified relevant person' means a person who is a director or secretary of the producer company at any time during the period commencing when the qualifying period commences and ending 12 months after the date the compliance report referred to in subparagraph (iii) of subsection (2C)(*d*)(iii) is provided to the Revenue Commissioners;'',

(*j*) in subsection (2)—

(i) in paragraph (*a*) by substituting ''producer company'' for ''qualifying company'' in each place, and

(ii) by deleting paragraph (*c*),

(*k*) in subsection (2A) by substituting ''producer company'' for ''qualifying company'' in each place in paragraph (*a*),

(*l*) in subsection (2A) by substituting the following for paragraph (*b*):

''(*b*) The Revenue Commissioners shall not issue a certificate under paragraph (*a*) if—

(i) they have not been given authorisation to do so by the Minister under subsection (2)(*a*),

(ii) the producer company, the qualifying company and each person who is either the beneficial owner of, or able directly or indirectly to control, more than 15 percent of the ordinary share capital of the producer company or the qualifying company, as the case may be, is not in compliance with all the obligations imposed by the Tax Acts, the Capital Gains Tax Acts or the Value-Added Tax Consolidation Act 2010 in relation to—

(I) the payments or remittances of taxes, interest or penalties required to be paid or remitted under those Acts,

(II) the delivery of returns, and

(III) requests to supply to an inspector accounts of, or other information about, any business carried on, by the producer company, the qualifying company or person, as the case may be,

or

(iii) the eligible expenditure amount is less than €200,000.'',

(*m*) in subsection (2A) by substituting ''producer company'' for ''qualifying company'' in each place in paragraphs (*c*), (*e*) and (*f*),

(*n*) in subsection (2A)(*g*) by substituting the following for subparagraph (i):

''(i) in relation to the quantum of the specified amount, and the timing and manner of a payment of the specified amount,'',

(*o*) in subsection (2A)(*g*) by substituting the following for subparagraph (iii):

''(iii) in relation to the amount of the film corporation tax credit by which the producer company's corporation tax is to be reduced,'',

(*p*) in subsection (2A)(*g*) by inserting ''(in this section referred to as the eligible expenditure amount)'' after ''film'' where it first occurs in subparagraph (iv),

(*q*) in subsection (2A) by substituting ''producer company'' for ''qualifying company'' in each place in paragraph (*h*),

(*r*) in subsection (2B) by substituting ''producer company'' for ''qualifying company'' in each place,

(*s*) in subsection (2C) by substituting ''producer company'' for ''qualifying company'' in each place (other than in paragraphs (*b*) and (*c*)),

(*t*) in subsection (2C)(*b*) by inserting ''or the qualifying company'' after ''company'',

(*u*) in subsection (2C)(*c*)—

(i) by inserting ''the producer company,'' before ''the qualifying company'' where it first occurs,

(ii) by inserting ''the producer company or'' before ''the qualifying company'' where it last occurs, and

(iii) by substituting ''producer company or the qualifying company'' for ''company'' in subparagraph (i),

(*v*) in subsection (2C) by deleting ''and'' before paragraph (*e*),

(*w*) in subsection (2C) by substituting the following for paragraph (*e*):

''(*e*) if the company ceases to carry on the trade referred to in paragraph (*b*) of the definition of ''producer company'', before a time which is 12 months after the date the compliance report referred to in subsection (2C)(*d*)(iii) is provided to the Revenue Commissioners,'',

(*x*) in subsection (2C) by inserting the following after paragraph (*e*):

''(*f*) if the company disposes of its shares in the qualifying company before a time which is 12 months after the date the compliance report referred to in subsection (2C)(*d*)(iii) is provided to the Revenue Commissioners,

(*g*) unless the company—

(i) enters into a contract with the qualifying company in relation to the production and distribution of the qualifying film, and

(ii) provides an amount not less than the specified amount to the qualifying company,

and

(*h*) unless an amount not less than the eligible expenditure amount is expended by the qualifying company wholly and exclusively on the production of the qualifying film as specified in a condition in a film certificate, in accordance with subsection (2A)(*g*)(iv).'',

(*y*) in subsection (2CA)(*b*) by substituting the following for subparagraph (i):

''(i) the arrangements relate to the filming of part of a film in a territory other than a territory referred to in clause (I) or (II) of subsection (2C)(*b*)(i),'',

(*z*) in subsection (2CA)(*b*) by substituting ''the producer company'' for ''the qualifying company'' in subparagraph (ii),

(*aa*) in subsection (2CA)(*b*) by substituting the following for subparagraph (iii):

''(iii) the producer company demonstrates to the satisfaction of the Revenue Commissioners that it can provide, if requested, sufficient records to enable the Revenue Commissioners to verify, in the case of filming in a territory, the amount of each item of expenditure on the production of the qualifying film expended in the territory, whether expended by the producer company or by any other person,'',

(*ab*) by substituting the following for subsection (2D):

''(2D) Where the producer company or the qualifying company fails to comply with any of the provisions of this section or fails to fulfil any condition specified in a certificate issued to the producer company under paragraph (*a*) of subsection (2A), the Revenue Commissioners may, by notice in writing, revoke the certificate.'',

(*ac*) in subsection (2E)—

(i) by substituting ''a producer company and a qualifying company'' for ''a qualifying company'' in paragraph (*d*),

(ii) by substituting ''producer company'' for ''qualifying company'' in each place in paragraphs (*f*) and (*l*),

(iii) by deleting ''and'' in paragraph (*m*), and

(iv) by substituting ''film, and'' for ''film.'' in paragraph (*n*),

(*ad*) in subsection (2E) by inserting the following after paragraph (*n*):

''(*o*) governing when the specified amount may be paid by the Revenue Commissioners to the producer company.'',

(*ae*) in subsection (2F) by substituting ''producer company'' for ''qualifying company'',

(*af*) by substituting the following for subsection (3):

''(3) (*a*) Where the Revenue Commissioners have—

(i) issued a film certificate to a producer company, in accordance with subsection (2A)(*a*), and

(ii) specified an amount of a film corporation tax credit in the certificate,

the corporation tax of the company for the qualifying period, shall, subject to subsection (2A)(*g*)(iii), be reduced by so much of an amount equal to the film corporation tax credit specified in the film certificate as does not exceed that corporation tax and where the qualifying period is a period referred to in paragraph (*b*) of the definition of 'qualifying period', the corporation tax of an earlier accounting period shall be reduced in priority to the corporation tax of a later accounting period.

(*b*) Subject to subsection (3C), where the Revenue Commissioners have specified a film corporation tax credit in a film certificate and the amount of the credit exceeds the corporation tax of the qualifying period, as reduced by the corporation tax paid by the company in respect of that period but before any reduction under paragraph (*a*), the excess (in this section referred to as the 'specified amount') shall be paid to the producer company by the Revenue Commissioners.

(*c*) The specified amount shall be paid by the Revenue Commissioners to the film producer company not later than the date specified in the film certificate issued to the company, which shall not be earlier than the date set out in the regulations made under subsection (2E).'',

(*ag*) by inserting the following after subsection (3):

''(3A) (*a*) Any amount payable by the Revenue Commissioners to the company by virtue of subsection (3)(*b*) shall be deemed to be an overpayment of corporation tax, for the purposes only of section 960H(2).

(*b*) Any claim in respect of a specified amount shall be deemed for the purposes of section 1077E to be a claim in connection with a credit and, for the purposes of determining an amount in accordance with section 1077E(11) or 1077E(12), a reference to an amount of tax that would have been payable for the relevant periods by the person concerned shall be read as if it were a reference to a specified amount.

(*c*) Where the Revenue Commissioners have paid a specified amount to a producer company and it is subsequently found that all or part of the amount is not as authorised by this section (in this section referred to as the 'unauthorised amount'), then—

(i) the company,

(ii) any director of the company, or

(iii) any person referred to in subparagraph (ii) of paragraph (*b*) of subsection (2A),

may be charged to tax under Case IV of Schedule D for the accounting period, or year of assessment, as the case may be, in respect of which the payment was made, in an amount equal to—

(I) in the case of a company, 4 times, and

(II) in the case of an individual, one hundred forty-firsts,

of so much of the specified amount as is not so authorised.

(*d*) The circumstances in which an unauthorised amount arises shall include any circumstances where the amount was paid in accordance with paragraph (*b*) of subsection (3) and—

(i) the Revenue Commissioners revoke a certificate issued under subsection (2A)(*a*), or

(ii) the producer company or the qualifying company—

(I) fails to satisfy or comply with any condition or obligation required by this section or regulations made under this section,

(II) fails to satisfy or comply with any condition or obligation specified in a film certificate, including a condition to complete, deliver, exhibit or make available for exhibition the qualifying film by a time specified in a film certificate, or

(III) at any time on or before the time referred to in subsection (2C)(*e*) fails to comply with any of the obligations referred to in subsection (2A)(*b*)(ii).

(*e*) Where in accordance with paragraph (*c*) an inspector makes an assessment in respect of a specified amount, the amount so charged shall for the purposes of section 1080 be deemed to be tax due and payable and shall carry interest as determined in accordance with subsection (2)(*c*) of section 1080 as if a reference to the date when the tax became due and payable were a reference

to the date the amount was paid by the Revenue Commissioners.

(3B) (*a*) The amount which is provided by the producer company to the qualifying company in accordance with subparagraph (ii) of subsection (2C)(*g*) shall not—

(i) be a sum which may be deducted in computing the profits or gains to be charged to tax under Case I of Schedule D and shall not otherwise reduce the income of the producer company,

(ii) subject to subsection (3), reduce the corporation tax of the producer company,

(iii) be provided in a manner which is wholly or partly for the purpose of, or in connection with, securing a tax advantage, or

(iv) be income of the qualifying company for any tax purpose.

(*b*) A failure by the qualifying company to repay any part of the amount referred to in paragraph (*a*) to the producer company shall not be a sum which may be deducted in computing the profits or gains of the producer company to be charged to tax under Case I of Schedule D and shall not otherwise reduce the income of the producer company.

(*c*) Notwithstanding sections 411 and 616, the producer and the qualifying company shall be deemed not to be members of the same group of companies for the purposes of—

(i) section 411, or

(ii) except for the purposes of section 626, section 616.

(*d*) A loss, for the purposes of section 546, shall not be treated as arising on the disposal by the producer company of shares in the qualifying company.

(*e*) Section 626B shall be deemed not to apply to the disposal by the producer company of shares in the qualifying company.

(*f*) For the purposes of section 538(2), the value of the shares held by the producer company in the qualifying company, shall not, at any time, be negligible.

(3C) The Revenue Commissioners shall not pay a specified amount to a producer company in respect of a film certificate issued after 31 December 2020.'',

and

(*ah*) by deleting subsections (4) to (22).

(2) This section shall come into operation on such day or days as the Minister for Finance may by order or orders appoint and different days may be appointed for different purposes or different provisions.

Amendment of Part 16 (income tax relief for investment in corporate trades — employment and investment incentive and seed capital scheme) of Principal Act.

21.—(1) Part 16 of the Principal Act is amended—

(*a*) in section 488(1)—

(i) in paragraph (*g*) of the definition of ''relevant trading activities'' by inserting ''except where the operating or managing of such hotels, guest houses, self catering accommodation or comparable establishments, or the managing of property used as an hotel, guest house, self catering accommodation or comparable establishment, is a tourist traffic undertaking,'' after ''establishment,'', and

(ii) in paragraph (*a*) of the definition of ''tourist traffic undertaking'' by deleting ''other than hotels, guest houses and self catering accommodation,'',

(*b*) in section 489(13) by substituting ''31 December 2020'' for ''31 December 2013'', and

(*c*) in section 490(3)(*b*) by substituting ''2020'' for ''2013''.

(2) (*a*) *Paragraph (a)* of *subsection (1)* has effect in respect of shares issued on or after 1 January 2013.

(*b*) *Paragraphs (b)* and *(c)* of *subsection (1)* come into operation on such day or days as the Minister for Finance may by order or orders appoint and different days may be appointed for different purposes or different provisions.

Amendment of Part 8 (annual payments, charges and interest) of Principal Act.

22.—(1) Part 8 of the Principal Act is amended—

(*a*) in section 256(1) in the definition of ''appropriate tax''—

(i) in paragraph (*a*) by substituting ''33 per cent'' for ''30 per cent'',

(ii) in paragraph (*b*) by substituting ''33 per cent'' for ''30 per cent'', and

(iii) in paragraph (*c*) by substituting ''36 per cent'' for ''33 per cent'',

and

(*b*) in section 267B—

(i) in subsection (2)(*b*) by substituting ''33 per cent'' for ''30 per cent'', and

(ii) in subsection (3)(*b*) by substituting ''33 per cent'' for ''30 per cent''.

(2) This section applies to any payment or crediting of relevant interest (within the meaning of Chapter 4 of Part 8 of the Principal Act) made on or after 1 January 2013.

Amendment of section 267N (interpretation) of Principal Act.

23.—(1) Section 267N(1) of the Principal Act is amended—

(*a*) by substituting the following for paragraph (*c*) of the definition of ''investment certificate''—

''(*c*) is issued to a person who is not a specified person, and'',

and

(*b*) by inserting the following definition—

'' 'specified person' has the meaning assigned to it by section 110 as if a reference in the definition of 'specified person' in that section—

(*a*) to a qualifying company included a reference to a qualifying company within the meaning of this section, and

(*b*) to qualifying assets were a reference to assets within the meaning of this section;''.

(2) This section applies as respects an investment certificate (within the meaning of section 267N of the Principal Act) issued on or after 1 January 2013.

Amendment of section 1003A (payment of tax by means of donation of heritage property to an Irish heritage trust) of Principal Act.

24.—(1) Section 1003A of the Principal Act is amended—

(*a*) in subsection (1) in the definition of ''Minister'' by substituting ''Minister for Arts, Heritage and the Gaeltacht'' for ''Minister for the Environment, Heritage and Local Government'',

(*b*) in paragraph (*a*) of subsection (2)—

(i) by substituting ''Commissioners of Public Works in Ireland.'' for ''Commissioners of Public Works in Ireland,'' in subparagraph (iv), and

(ii) by deleting all words from and including ''and, for the purposes of this section'' to the end of that paragraph,

(*c*) in subsection (2) by inserting the following after paragraph (*a*):

''(*aa*) For the purposes of this section—

(i) a reference to 'building' includes—

(I) any associated outbuilding, yard or land where the land is occupied or enjoyed with the building as part of its gardens or designed landscape and contributes to the appreciation of the building in its setting,

(II) the contents of the building, and

(III) land necessary for the provision of access to the building or for the provision of parking facilities for visitors to the building,

(ii) a reference to 'garden' includes—

(I) any associated building, outbuilding, yard or land where the land is occupied or enjoyed with the garden and contributes to the appreciation of the garden in its setting, and

(II) land necessary for the provision of access to the garden or for the provision of parking facilities for visitors to the garden.

(*ab*) Where a heritage property is donated under this section and the Trust or, as appropriate, the Commissioners of Public Works in Ireland deem that lands outside of the ownership of the donor of the heritage property would be necessary for the provision of access to the heritage property or for the provision of parking facilities for visitors to the heritage property, such lands may be donated for such purpose to the Trust or, as appropriate, the Commissioners of Public Works in Ireland under the terms of this section and those lands shall be deemed to be a heritage property for the purpose of this section.'',

(*d*) in subsection (2) by substituting ''Minister for Public Expenditure and Reform'' for ''Minister for Finance'' in each place in paragraph (*f*), and

(*e*) in subsection (5) by substituting ''an amount equal to 50 per cent of the market value'' for ''an amount equal to 80 per cent of the market value''.

(2) *Subsection (1)* applies in respect of any determination made, on or after the date of the passing of this Act, under section 1003A(2)(*a*) of the Principal Act by the Minister for Arts, Heritage and the Gaeltacht or, as appropriate, by the Commissioners of Public Works in Ireland.

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

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

(*a*) in paragraph 1 by inserting the following definitions:

'' 'aggregate income for the tax year' has the same meaning as in section 531AL;

'aggregate of the tax value of the reduction' means the income tax value of the amount by which all income for which credit is to be allowed for foreign tax is treated as reduced in accordance with subparagraph (3)(*c*) of paragraph 7 ascertained by subtracting the income tax that is chargeable in respect of the year of assessment from the

income tax that would be chargeable if all income for which credit is to be allowed for foreign tax had not been reduced in accordance with subparagraph (3)(*c*) of paragraph 7;'',

(*b*) in paragraph 2 by inserting the following after subparagraph (2):

''(2A) In the case of any income within the charge to income tax, the credit shall be applied first in reducing the income tax chargeable in respect of that income.'',

(*c*) by inserting the following after paragraph 5:

''Limit on total credit — universal social charge.

5A. (1) The amount of the credit to be allowed against universal social charge for foreign tax in respect of any income—

(*a*) shall not exceed the sum which would be produced by computing the amount of that income in accordance with Part 18D, and then charging it to universal social charge for the year of assessment for which the credit is to be allowed, but at a rate ascertained by dividing the universal social charge payable by that person for that year by the amount of the aggregate income for the tax year of that person, and

(*b*) shall be determined (subject to clause (*a*)) by the formula—

$$[FT - C] - T$$

where—

FT is the foreign tax, including foreign tax not chargeable directly, in respect of the income,

C is the credit allowed against income tax for foreign tax in respect of the income, and

TV is the portion of the aggregate of the tax value of the reduction attributable to the income determined by the formula—

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

where—

A is the aggregate of the tax value of the reduction,

B is the part of the foreign tax by which the income has been reduced in accordance with subparagraph (3)(*c*) of paragraph 7, and

C is the aggregate of the reductions by which all income for which credit is to be allowed for foreign tax has been reduced in accordance with subparagraph (3)(*c*) of paragraph 7.

(2) Subject to subparagraph (1), where an individual is assessed to tax in accordance with section 1017 or 1031C and each spouse or civil partner falls to be charged to universal social charge on his or her share of that income, the amount of the credit to be allowed against universal social charge in respect of each share of that income shall not exceed such part of the credit as bears to that credit the same proportion as the share of each spouse or civil partner in that income bears to that income.'',

(*d*) in paragraph 7 by substituting ''either income tax or corporation tax'' for ''any of the Irish taxes'' in subparagraph (3)(*c*),

(*e*) by inserting the following after paragraph 7:

''Effect on computation of income of allowance of credit against universal social charge.

7A. (1) Where credit for foreign tax is to be allowed against any of the Irish taxes in respect of any income, this paragraph shall apply in relation to the computation for the purposes of universal social charge of the amount of that income.

(2) Where the universal social charge payable depends on the amount received in the State, that amount shall be treated as increased by the amount of the credit allowable against income tax.

(3) Where subparagraph (2) does not apply—

(*a*) no deduction shall be made for foreign tax (whether in respect of the same or any other income), and

(*b*) where the income includes a dividend and under the arrangements foreign tax not chargeable directly or by deduction in respect of the dividend is to be taken into account in considering whether any, and if so what, credit is to be allowed against the Irish taxes in respect of the dividend, the amount of the income shall be treated as increased by the amount of the foreign tax not so chargeable which is to be taken into account in computing the amount of the credit.

(4) In relation to the computation of the income of a person for the purposes of paragraph 5A, subparagraphs (1) to (3) shall apply in relation to all income in the case of which credit is to be allowed for foreign tax under any arrangements.'',

(*f*) by inserting the following after paragraph 9H:

''Dividends: additional credit.

9I. (1) In this paragraph—

'excluded dividend' means a dividend, or any part of a dividend, paid by a source company to a relevant company, in so far as it is paid out of so much, if any, of the relevant profits of a source company, as—

(*a*) has not been subject to tax, and

(*b*) has been received, from a company which is connected with the relevant company and is not resident in a relevant Member State—

(i) directly by means of a dividend or other distribution of profits, being profits which have not been subject to tax, or

(ii) indirectly, from the profits mentioned in subclause (i), by the payment of dividends, or the making of other distributions, by one or more companies, without the income or profits represented by any of those dividends or distributions having been subject to tax;

'relevant company', in relation to a dividend, means a company that—

(*a*) is resident in the State, or

(*b*) is, by virtue of the law of a relevant Member State other than the State, resident for the purposes of tax in such a Member State and the dividend forms part of the profits of a branch or agency in the State;

'relevant dividend' means so much of a dividend as is neither—

(*a*) an excluded dividend, nor

(*b*) a dividend which, by virtue of section 21B(4)(*c*), is not to be taken into account in computing income for corporation tax;

'source company' means a company which—

(*a*) is not resident in the State, and

(*b*) is, by virtue of the law of a relevant Member State other than the State, resident for the purposes of tax in such a Member State;

'tax', except in the case of corporation tax in the State, means—

(*a*) tax imposed in a country other than the State, which corresponds to such corporation tax, and

(*b*) tax, corresponding to income tax in the State, which is imposed in a country other than the State by deduction from dividends or other distributions of profits,

but, for the purposes of the definition of 'excluded dividend' in this subparagraph, any tax charged by reference to a dividend or other distribution of profits such that most of the value of that dividend or distribution is exempted from that charge to tax shall be excluded from the meaning of 'tax'.

(2) For the purposes of this paragraph, the relevant profits of a source company in relation to a dividend shall be—

(*a*) if the dividend is paid for a specified period, the profits of that period,

(*b*) if the dividend is not paid for a specified period but is paid out of specified profits, those profits, or

(*c*) if the dividend is paid neither for a specified period nor out of specified profits, the profits of the last period for which accounts of the body corporate were made up which ended before the dividend became payable,

but if, in a case within clause (*a*) or (*c*), the total dividend exceeds the profits available for distribution of the period mentioned in clause (*a*) or (*c*), as the case may be, the relevant profits shall be the profits of that period together with so much of the profits available for distribution of preceding periods (other than profits previously distributed or previously treated as relevant for the purposes of this subparagraph) as is equal to the excess, and for this purpose the profits of the most recent preceding period shall first be taken into account, then the profits of the next most recent preceding period, and so on.

(3) Where a source company pays a relevant dividend to a relevant company then, for the purpose of allowing credit against corporation tax for foreign tax in respect of that dividend, there shall, subject to paragraph 4, and subparagraph (5), be taken into account, as if it were tax payable in respect of that dividend under the law of the territory in which a source company is resident, an amount (referred to in this paragraph as 'additional foreign credit') determined in accordance with subparagraph (4).

(4) The additional foreign credit referred to in subparagraph (3) in respect of a relevant dividend shall be—

(*a*) where the relevant dividend is subject to corporation tax at the rate specified in section 21(1), an amount determined by the formula—

$$(A \times B) - C$$

where—

A is the amount of the relevant dividend brought into charge to corporation tax in the State,

B is the lower of—

(i) the rate per cent specified in section 21(1), or

(ii) the rate per cent of tax, which corresponds, in the relevant Member State in which the source company is resident for the purposes of tax, to corporation tax in the State, applicable to the relevant profits in relation to the relevant dividend,

and

C is the amount of the credit for tax against corporation tax attributable to the relevant dividend which, apart from this paragraph, would be allowable under this Schedule,

or

(*b*) where the relevant dividend is chargeable to corporation tax under Case III of Schedule D, the amount determined by the formula—

$$(A \times B) - C$$

where—

A is the amount of the relevant dividend brought into charge to corporation tax in the State,

B is the lower of—

(i) 25 per cent, or

(ii) the rate per cent of tax, which corresponds, in the relevant Member State in which the source company is resident for the purposes of tax, to corporation tax in the State, applicable to the relevant profits in relation to the relevant dividend,

and

C is the amount of the credit for tax against corporation tax attributable to the relevant dividend which, apart from this paragraph, would be allowable under this Schedule.

(5) The provisions of paragraph 9E shall not apply to any additional foreign credit calculated in accordance with this paragraph.

(6) This paragraph shall not apply to dividends paid in any case where paragraph 9H applies.'',

and

(*g*) by inserting the following paragraph after paragraph 13:

''14. The provisions of this Schedule shall apply for income levy as they apply for universal social charge with any necessary modifications.''.

(2) *Paragraphs (a)* to *(e)* of *subsection (1)* shall have effect as if they had come into operation for the year of assessment (within the meaning of section 2 of the Principal Act) 2011 and each subsequent year of assessment.

(3) *Paragraph (f)* of *subsection (1)* shall apply to dividends paid on or after 1 January 2013.

(4) *Paragraph (g)* of s*ubsection (1)* shall have effect as if it had come into operation for the years of assessment (within the meaning aforesaid) 2009 and 2010.

Amendment of section 79C (exclusion of foreign currency as asset of certain companies) of Principal Act.

26.—(1) The Principal Act is amended in section 79C—

(*a*) in subsection (1), in the definition of ''relevant bank deposit'', by substituting ''the currency of the State'' for ''Irish currency'', and

(*b*) by substituting the following for subsection (3):

''(3) An amount determined by the formula—

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

where—

A is the net foreign exchange gain which is credited in the profit and loss account of a relevant holding company, as reduced by so much of any loss under section 383 as is attributable to a net foreign exchange loss and which has not been deducted from any other amount of income,

B is the rate referred to in section 21A(3)(*a*), and

C is the rate referred to in section 28(3),

shall be income chargeable under Case IV of Schedule D.''.

(2) This section applies in respect of accounting periods ending on or after 1 January 2013.

Amendment of section 766 (tax credit for research and development expenditure) of Principal Act.

27.—(1) Section 766 of the Principal Act is amended in subsection (1)(*a*), in the definition of ''qualifying group expenditure on research and development'', by substituting ''€200,000'' for ''€100,000''.

(2) This section shall apply to accounting periods commencing on or after 1 January 2013.

Amendment of section 246 (interest payments by companies and to non-residents) of Principal Act.

28.—(1) Section 246 of the Principal Act is amended—

(*a*) in subsection (3) by substituting the following for paragraph (*c*):

''(*c*) interest paid to a person whose usual place of abode is outside the State—

(i) in respect of a relevant security, or

(ii) by a specified collective investment undertaking within the meaning of section 734,'',

(*b*) in subsection (3) by inserting the following after paragraph (*f*):

''(*fa*) interest paid in the State to an exempt approved scheme within the meaning of section 774,'',

and

(*c*) by deleting subsection (4).

(2) This section shall apply to interest paid on or after the passing of this Act.

Living City Initiative.

29.—(1) The Principal Act is amended—

(*a*) in Part 10 by inserting the following after Chapter 12:

''CHAPTER 13

Living City Initiative

Interpretation (Chapter 13).

372AAA.—In this Chapter—

'Georgian house' means a building, constructed in the period 1714 to 1830 for use as a dwelling, comprising at least 2 stories, with or without a basement;

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

'qualifying period' means the period commencing on the date of the coming into operation of *section 29* of the *Finance Act 2013* and ending 5 years after that date;

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

'special regeneration area' means an area or areas specified as a special regeneration area by order of the Minister for Finance.

Residential accommodation: allowance to owner-occupiers in respect of qualifying expenditure incurred on the conversion and refurbishment of Georgian houses.

372AAB.—(1) In this section—

'conversion' in relation to a building, structure or house, means any work of—

(*a*) conversion into a house of a building or part of a building where the building or, as the case may be, the part of the building has not, immediately prior to the conversion, been in use as a dwelling, and

(*b*) conversion into 2 or more houses of a building or part of a building where before the conversion the building or, as the case may be, the part of the building has not, immediately prior to the conversion, been in use as a dwelling or had been in use as a single dwelling,

including the carrying out of any necessary works of construction, reconstruction, repair or renewal, and the provision or improvement of water, sewerage or heating facilities in relation to the building or the part of the building, as the case may be;

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

'letter of certification' means a letter from the relevant local authority stating that—

(*a*) planning permission, in so far as it is required, in respect of the work carried out in the course of the refurbishment or conversion has been granted under the Planning and

Development Acts 2000 to 2010,

(*b*) the total floor area of the house is not less than 38 square metres and not more than 210 square metres,

(*c*) the house to which the letter relates complies with such conditions, if any, as may be determined by the Minister for the Environment, Community and Local Government from time to time for the purposes of section 5 of the Housing (Miscellaneous Provisions) Act 1979, in relation to standards for improvement of houses and the provision of water, sewerage and other services in houses, and

(*d*) that at the time of issuing of the letter and on the basis of the information available at that time the cost of conversion into, or as the case may be, refurbishment of, the house appears to be reasonable;

'qualifying expenditure' means expenditure incurred by an individual, in the qualifying period, on the conversion into, or, as the case may be, the refurbishment of a qualifying premises, after deducting from that amount of expenditure any sum in respect of or by reference to—

(*a*) that expenditure,

(*b*) the qualifying premises, or

(*c*) the conversion or, as the case may be, the refurbishment work in respect of which that expenditure was incurred,

which the individual has received or is entitled to receive, directly or indirectly, from the State, any board established by statute or any public or local authority;

'qualifying premises' means a Georgian house—

(*a*) the site of which is wholly within a special regeneration area,

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

(*c*) in respect of which a letter of certification has issued, and

(*d*) which is first used, after the qualifying expenditure has been incurred, by the individual as his or her only or main residence;

'relevant local authority' means the county council, the city council or the borough council or, where appropriate, the town council, within the meaning of the Local Government Act 2001 in whose functional area the special regeneration area is situated;

'total floor area' means the total floor area of a house, measured in the manner referred to in section 4(2)(*b*) of the Housing (Miscellaneous Provisions) Act 1979.

(2) Where an individual, having duly made a claim, proves to have incurred qualifying expenditure on a qualifying premises in a year of assessment, the individual is entitled, for the year of assessment and for any of the 9 subsequent years of assessment in which the qualifying premises is his or her only or main residence, to have a deduction made from his or her total income of an amount equal to 10 per cent of the amount of that expenditure.

(3) Where the individual or—

(*a*) the individual's spouse, is assessed to tax in accordance with section 1017, or

(*b*) the individual's civil partner is assessed to tax in accordance with section 1031C,

then, except where section 1023 or 1031H, as the case may be, applies, the individual shall be entitled to have the deduction, to which he or she is entitled under subsection (2), made from his or her total income and the total income of his or her spouse or civil partner, as the case may be, if any.

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

(5) Where qualifying expenditure, in relation to a qualifying premises, is incurred by 2 or more persons, each of those persons shall be treated as having incurred the expenditure in the proportions in which they actually bore the expenditure, and the expenditure shall be apportioned accordingly.

(6) Subsections (6), (9) and (10) of section 372AP shall, with any necessary modifications, apply in relation to—

(*a*) the apportionment of eligible expenditure (within the meaning of section 372AN) incurred on or in relation to a qualifying premises and of the relevant cost (within the meaning of section 372AP) in relation to that premises, and

(*b*) the amount of eligible expenditure (within the meaning aforesaid) to be treated as incurred in the qualifying period,

for the purposes of this section, in determining—

(i) the amount of qualifying expenditure incurred on or in relation to a qualifying premises, and

(ii) the amount of qualifying expenditure to be treated as incurred in the qualifying period,

as they apply for the purposes of section 372AP.

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

(8) For the purposes of this section, expenditure incurred on the conversion into, or, as the case may be, refurbishment of a qualifying premises shall be deemed to have been incurred on the earliest date after the expenditure was actually incurred on which the premises is in use as a dwelling.

(9) This section shall not apply where qualifying expenditure incurred does not exceed 10 per cent of the market value of

the building, structure or house immediately before that expenditure was incurred.

(10) An appeal to the Appeal Commissioners shall lie on any question arising under this section in like manner as an appeal would lie against an assessment to income tax and the provisions of the Tax Acts relating to appeals shall apply accordingly.

Capital allowances in relation to conversion or refurbishment of certain commercial premises.

372AAC.—(1) In this section—

'conversion', in relation to a building or structure, means any work of conversion, reconstruction or renewal, into a building suitable for use for the purposes of the retailing of goods or the provision of services only within the State and includes the provision or improvement of water, sewerage or heating facilities carried out, or maintenance in the nature of repair;

'property developer' means a person carrying on a trade which consists wholly or mainly of the construction or refurbishment of buildings or structures with a view to their sale;

'qualifying expenditure' means capital expenditure incurred on the conversion or refurbishment of a qualifying premises;

'qualifying premises' means a building or structure (or part of a building or structure) the site of which is wholly within a special regeneration area, and which—

(*a*) apart from this section is not an industrial building or structure within the meaning of section 268, and

(*b*) is—

(i) in use for the purposes of the retailing of goods, or

(ii) where subsection (3) applies, in use for the purposes of the retailing of goods or the provision of services only within the State, or

(iii) let on bona fide commercial terms for such use as is referred to in subparagraph (i) or, as the case may be, subparagraph (ii)

and for such consideration as might be expected to be paid in a letting of the building or structure negotiated on an arm's length basis,

but does not include any part of a building or structure in use as or as part of a dwelling house.

(2) (*a*) Subject to paragraph (*b*) and subsections (3) to (8), the provisions of the Tax Acts relating to the making of allowances or charges in respect of capital expenditure incurred on the construction or refurbishment of an industrial building or structure shall, notwithstanding anything to the contrary in those provisions, apply in relation to qualifying expenditure on a qualifying premises—

(i) as if the qualifying premises were, at all times at which it is a qualifying premises, a building or structure in respect of which an allowance is to be made for the purposes of income tax or corporation tax, as the case may be, under Chapter 1 of Part 9 by reason of its use for the purpose specified in section 268(1)(*a*), and

(ii) where any activity carried on in the qualifying premises is not a trade, as if (for the purposes only of the making of allowances and charges by virtue of subparagraph (i)), it were a trade.

(*b*) An allowance shall be given by virtue of this subsection in relation to any qualifying expenditure on a qualifying premises only in so far as that expenditure is incurred in the qualifying period.

(3) In the case of a qualifying premises comprised in a Georgian house, subsection (2) shall apply only if the qualifying premises are comprised in the ground

floor or basement and qualifying expenditure (within the meaning of section 372AAB) is incurred on the upper floor or floors of the building, and in respect of which a deduction has been given, or would on due claim being made be given, under that section.

(4) In relation to qualifying expenditure incurred in the qualifying period on a qualifying premises, section 272 shall apply as if—

(*a*) in subsection (3)(*a*)(ii) of that section the reference to 4 per cent were a reference to 15 per cent, and

(*b*) in subsection (4)(*a*) of that section the following were substituted for subparagraph (ii):

'(ii) where capital expenditure on the conversion or refurbishment of the building or structure is incurred, 7 years beginning with the time when the building or structure was first used subsequent to the incurring of that expenditure.'.

(5) Notwithstanding section 274(1), no balancing allowance or balancing charge shall be made in relation to a qualifying premises by reason of any event referred to in that section which occurs more than 7 years after the qualifying premises was first used subsequent to the incurring of the qualifying expenditure on the conversion or refurbishment of the qualifying premises.

(6) This section shall not apply where qualifying expenditure incurred does not exceed 10 per cent of the market value of the building, structure or house immediately before that expenditure was incurred.

(7) For the purposes only of determining, in relation to a claim for an allowance by virtue of subsection (2), whether and to what extent capital expenditure incurred on the conversion or refurbishment of a qualifying premises is incurred or not incurred in the qualifying period, only such an amount of that capital expenditure as is properly attributable to work on the conversion or refurbishment of the premises actually carried out during the qualifying period shall (notwithstanding any other provision of

the Tax Acts as to the time when any capital expenditure is or is to be treated as incurred) be treated as having been incurred in that period.

(8) Notwithstanding any other provision of this section, this section shall not apply in respect of qualifying expenditure incurred on a qualifying premises where—

(*a*) (i) a property developer, or a person who is connected (within the meaning of section 10) with the property developer is entitled to the relevant interest, within the meaning of section 269, in relation to that expenditure, and

(ii) either of the persons referred to in subparagraph (i) incurred the qualifying expenditure on that qualifying premises, or such expenditure was incurred by any other person connected (within the meaning of section 10) with the property developer,

or

(*b*) any part of such expenditure has been or is to be met, directly or indirectly, by grant assistance or any other assistance which is granted by or through the State, any board established by statute, any public local authority or any other agency of the State.

(9) Where relief is given by virtue of this section in relation to capital expenditure incurred on the conversion or refurbishment of a building or structure, relief shall not be given in respect of that expenditure under any other provision of the Tax Acts.'',

(*b*) in section 409F(2) by substituting ''372AC, 372AD or 372AAC'' for ''372AC or 372AD'' in paragraph (*a*) of the definition of ''area-based capital allowance'',

(*c*) in section 531AAE(1) by substituting ''372AC, 372AD or 372AAC,'' for ''372AC or 372AD,'' in paragraph (*a*) of the definition of ''area-based capital allowance'', and

(*d*) in Schedule 25B by inserting the following after the matter set out opposite reference number 38:

‘‘

38A.	Section 372AAC (capital allowances in relation to conversion or refurbishment of certain commercial premises)	An amount equal to— (*a*) the aggregate amount of allowances (including balancing allowances) made to the individual under Chapter 1 of Part 9 as that Chapter is applied by section 372AAC, including any such allowance or part of any allowances made to the individual for a previous tax year and carried forward from that previous tax year in accordance with Part 9, or (*b*) where full effect has not been given in respect of that aggregate for that tax year, the part of that aggregate to which full effect has been given for that tax year in accordance with section 278 and section 304 or 305, as the case may be, or any of those sections as applied or modified by any other provision of the Tax Acts.

’’.

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

Incentives for certain aviation services facilities.

30.—(1) The Principal Act is amended—

(*a*) in section 268(1) by deleting ‘‘or’’ where it last occurs in paragraph (*l*) and by substituting ‘‘unit, or’’ for ‘‘unit,’’ in paragraph (*m*),

(*b*) in section 268(1) by inserting the following after paragraph (*m*):

‘‘(*n*) for the purposes of a trade which consists of the maintenance, repair or overhaul of aircraft used to carry passengers or cargo for hire or reward,’’,

(*c*) in section 268 by inserting the following after subsection (1E):

‘‘(1F) Where the relevant interest in relation to capital expenditure incurred on the construction of a building or structure in use for the purposes specified in subsection (1)(*n*) is held by a property developer (within the meaning of section 843A) or a person who is connected with the property developer, in the case where either of such persons incurred the capital expenditure on the construction of that building or structure, or

such expenditure was incurred by any other person connected with the property developer, then, notwithstanding that subsection, that building or structure shall not, as regards a claim for any allowance under this Part by any such person, be regarded as an industrial building or structure for the purposes of this Part, irrespective of whether that relevant interest is held by the person in a sole capacity or jointly or in partnership with another person or persons.'',

(*d*) in section 268(9) by deleting ''and'' where it last occurs in paragraph (*i*) and by substituting ''2008, and'' for ''2008.'' in paragraph (*j*),

(*e*) in section 268(9) by inserting the following after paragraph (*j*):

''(*k*) by reference to paragraph (*n*), as respects capital expenditure incurred in the period commencing on the date of the coming into operation of *section 30* of the *Finance Act 2013* and ending 5 years after that date.'',

(*f*) in section 272(3) by deleting ''and'' at the end of paragraph (*i*) and by substituting ''subsection (2)(*c*), and'' for ''subsection (2)(*c*).'' in paragraph (*j*),

(*g*) in section 272(3) by inserting the following after paragraph (*j*):

''(*k*) in relation to a building or structure which is to be regarded as an industrial building or structure within the meaning of paragraph (*n*) of section 268(1), 15 per cent of the expenditure referred to in subsection (2)(*c*).'',

(*h*) in subsection 272(4) by deleting ''and'' at the end of paragraph (*i*) and by substituting ''that expenditure, and'' for ''that expenditure.'' in paragraph (*j*),

(*i*) in section 272(4) by inserting the following after paragraph (*j*):

''(*k*) in relation to a building or structure which is to be regarded as an industrial building or structure within the meaning of paragraph (*n*) of section 268(1)—

(i) 7 years beginning with the time when the building or structure was first used, or

(ii) where capital expenditure on the refurbishment of the building or structure is incurred, 7 years beginning with the time when the building or structure was first used subsequent to the incurring of that expenditure.'',

(*j*) in section 274(1)(*b*) by deleting ''and'' at the end of subparagraph (viii) and by substituting ''that expenditure, and'' for ''that expenditure.'' in subparagraph (ix)(II),

(*k*) in section 274(1)(*b*) by inserting the following after subparagraph (ix):

''(x) in relation to a building or structure which is to be regarded as an industrial building or structure within the meaning of paragraph (*n*) of section 268(1)—

(I) 7 years after the building or structure was first used, or

(II) where capital expenditure on the refurbishment of the building or structure is incurred, 7 years after the building or structure was first used subsequent to the incurring of that expenditure.'',

(*l*) in section 316(2C) by substituting ''paragraph (*g*), (*i*), (*j*), (*l*) or (*n*) of section 268(1) is incurred or not incurred in any of the periods referred to in paragraph (*d*), (*f*), (*g*), (*i*) or (*k*) of section 268(9),'' for ''paragraphs (*g*), (*i*), (*j*) or (*l*) of section 268(1) is incurred or not incurred in any of the periods referred to in paragraphs (*d*), (*f*), (*g*) and (*i*) of section 268(9),'',

(*m*) in Schedule 25B by inserting the following after clause (VII) of paragraph (*a*)(i) of the matter set out opposite reference number 13:

''(VIII) section 268(1)(*n*) (inserted by the *Finance Act 2013*),'',

and

(*n*) in Schedule 25B by inserting the following after clause (VII) of paragraph (*a*)(i) of the matter set out opposite reference number 15:

''(VIII) section 268(1)(*n*) (inserted by the *Finance Act 2013*),''.

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

Amendment of Chapter 3 (other obligations and returns) of Part 38 of Principal Act.

31.—Chapter 3 of Part 38 of the Principal Act is amended by inserting the following after section 891D:

''Implementation of the Agreement to Improve Tax Compliance and Provide for Reporting and Exchange of Information concerning Tax Matters (United States of America) Order 2013.

891E.—(1) This section applies for the purpose of implementing the Agreement to Improve Tax Compliance and Provide for Reporting and Exchange of Information concerning Tax Matters (United States of America) Order 2013 (S.I. No. 33 of 2013).

(2) For the purposes of this section and the regulations made under this section—

'Agreement' means the Agreement Between the Government of Ireland and the Government of the United States of America to Improve International Tax Compliance and to Implement FATCA done at Dublin on 21 December 2012;

'competent authority' means the Secretary of the Treasury of the United States of America or his or her delegate;

'register' means to register with such body of persons, agency or authority as is specified in regulations under this section for the purpose;

'registered financial institution' means a financial institution that has registered in accordance with the regulations;

'tax reference number' means a U.S. TIN.

(3) Except where otherwise provided by this section or the regulations made under this section and unless the context otherwise requires, a word or expression used in this section or in the regulations (or in both) that is used in the Agreement shall have the same meaning as it has in the Agreement.

(4) The Revenue Commissioners, with the consent of the Minister for Finance, may make regulations under this section—

(*a*) requiring financial institutions to register in circumstances specified in the regulations (whether by reference to the institution concerned falling within a category specified in the regulations or the existence otherwise of circumstances in which the regulations require the institution concerned to register),

(*b*) with respect to the return by a registered financial institution of information on accounts held, managed or administered by that financial institution (being accounts falling within a category specified in the regulations or that are otherwise specified therein as accounts to be the subject of such a return), and

(*c*) with respect to the return by a registered financial institution of information on payments made to a non-participating financial institution (being payments falling within a category specified in the regulations or that are otherwise specified therein as payments to be the subject of such a return).

(5) Without prejudice to the generality of subsection (4), regulations under this section may include provisions—

(*a*) specifying the time limits within which financial institutions must register,

(*b*) requiring registered financial institutions to make a return of information in relation to U.S. reportable accounts,

(*c*) setting out the circumstances in which a registered financial institution is not required to make a return,

(*d*) setting out the circumstances in which financial institutions shall be treated as non-participating financial institutions,

(*e*) determining the date by which a return required to be made under the regulations shall be made to the Revenue Commissioners,

(*f*) prescribing the manner in which returns are to be made,

(*g*) specifying the accounts that are not treated as financial accounts,

(*h*) specifying the financial accounts that are U.S. reportable accounts,

(*i*) specifying the information to be reported in a return by the registered financial institution, to the Revenue Commissioners, in relation to U.S. reportable accounts and, where different information is to be reported for different years, specifying the information to be reported for each of those years,

(*j*) specifying—

(i) the currency in which the registered financial institution is required to report, and

(ii) the rules for conversion of amounts, denominated in another currency, into the currency, referred to in subparagraph (i), for the purposes of a return under the regulations,

(*k*) requiring financial institutions to identify the financial accounts that are held by U.S. persons who fall within a category specified in the regulations or who are otherwise persons the financial accounts held by whom are specified by the regulations to be the subject of such identification,

(*l*) specifying the records and documents that must be examined or obtained by the financial institution to enable the

institution to identify the financial accounts that are held by U.S. persons who fall within a category specified in the regulations or who are otherwise specified by the regulations as persons in relation to whom the foregoing action in this paragraph must be taken, and, where different records or documents must be examined or obtained in different circumstances, specifying those circumstances,

(*m*) specifying additional requirements in relation to high value accounts that are held by U.S. persons who fall within a category specified in the regulations or who are otherwise persons the high value accounts held by whom are specified by the regulations to be the subject of such additional requirements,

(*n*) specifying the records and documents used to identify the holder of a U.S. reportable account that must be retained by the registered financial institution,

(*o*) specifying the financial accounts in respect of which the financial institution is not required to identify the account holder,

(*p*) setting out the circumstances in which a registered financial institution is required to aggregate financial accounts held by the same individual or entity for the purposes of reporting information on those accounts,

(*q*) specifying the actions to be taken by a registered financial institution where there is a change in circumstances with respect to the holder of a financial account,

(*r*) setting out the conditions under which a financial institution may appoint a third party as its agent to carry out the duties and obligations imposed on it by the regulations,

(*s*) setting out the circumstances in which an account held by an NFFE will be a U.S. reportable account,

(*t*) setting out the circumstances in which a registered financial institution may make a nil return,

(*u*) specifying the information to be reported by the registered financial

institution in relation to payments made to non-participating financial institutions,

(*v*) imposing an obligation on—

(i) a financial institution to obtain a tax reference number from persons, being persons who fall within a category specified in the regulations or who are otherwise specified by the regulations as persons in relation to whom the foregoing action in this paragraph must be taken and—

(I) with whom the institution enters into a contractual relationship, or

(II) for whom the institution undertakes any transaction,

on or after a date specified in the regulations, which shall not be earlier than the commencement of the regulations (and such persons are in this paragraph referred to as 'customers') for the purposes of including that number in a return under the regulations, and

(ii) customers to provide a financial institution with their tax reference number on request by the financial institution where, on or after a date specified in the regulations—

(I) such customers enter into a contractual relationship with the financial institution, or

(II) the financial institution undertakes any transaction for such customers,

being respectively—

(A) a relationship which results in the opening, operation, administration or management of a financial account, or

(B) a transaction which arises in relation to a financial account,

(*w*) defining 'books' and 'records' for the purposes of the regulations,

(*x*) in relation to any of the matters specified in the preceding paragraphs, determining the manner of keeping records and setting the period for the retention of records so kept,

(*y*) enabling the authorisation of Revenue officers, for the purpose of such officers—

(i) requiring—

(I) the production of books, records or other documents,

(II) the provision of information, explanations and particulars, and

(III) persons to give all such assistance as may reasonably be required and as is specified in the regulations,

in relation to financial accounts within such time as may be specified in the regulations, and

(ii) making extracts from or copies of books, records or other documents or requiring that copies of such books, records and documents be made available,

and

(*z*) specifying such supplemental and incidental matters as appear to the Revenue Commissioners to be necessary—

(i) to enable persons to fulfill their obligations under the regulations, or

(ii) for the general administration and implementation of the regulations, including—

(I) delegating to a Revenue officer the authority to perform any acts and discharge any functions authorised by this section or the regulations to be performed or discharged by the Revenue Commissioners, and

(II) the authorisation by the Revenue Commissioners of

Revenue officers to exercise any powers, to perform any acts or to discharge any functions conferred by this section or by the regulations.

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

(7) A Revenue officer authorised for the purpose of regulations under this section may at all reasonable times enter any premises or place of business of a financial institution for the purposes of—

(*a*) determining whether information—

(i) included in a return made under the regulations by the financial institution was correct and complete, or

(ii) not included in such a return was correctly not so included,

or

(*b*) examining the procedures put in place by the financial institution for the purposes of ensuring compliance with that institution's obligations under the regulations.

(8) (*a*) Section 898O shall apply to—

(i) a failure by a financial institution to deliver a return required under regulations under this section, and

(ii) the making of an incorrect or incomplete return under those regulations,

as it applies to a failure to deliver a return or to the making of an incorrect or incomplete return referred to in section 898O.

(*b*) A person who does not comply with—

(i) the requirements of a Revenue officer in the exercise or performance of the officer's powers or duties under this section or

under regulations made under this section, or

(ii) any requirement of such regulations,

shall be liable to a penalty of €1,265.

(9) Section 4 of the Post Office Savings Bank Act 1861 shall not apply to the disclosure of information required to be included in a return made under the regulations made under this section and, accordingly, this section shall apply to information to which, but for this subsection, the said section 4 would apply.

(10) (*a*) Notwithstanding section 851A, the Revenue Commissioners are authorised to communicate to the competent authority information which is contained in a return required under regulations under this section.

(*b*) The Revenue Commissioners shall communicate the information referred to in paragraph (*a*) to the competent authority not later than the expiry of 9 months following the end of the tax year in which the return is received.

(11) Where arrangements are entered into by any person and the main purpose or one of the main purposes of the arrangements, or any part of them, is the avoidance of any of the obligations imposed under this section or regulations thereunder, then this section and those regulations shall apply as if the arrangements, or that part of them, had not been entered into.''.

Chapter 5

Corporation Tax

Amendment of surcharges on undistributed investment and estate income and undistributed income of service companies.

32.—(1) Section 440(1) of the Principal Act is amended in paragraph (*b*)(i) by substituting ''€2,000'' for ''€635'' in each place.

(2) Section 441 of the Principal Act is amended—

(*a*) in subsection (4)(*b*)(i) by substituting ''€2,000'' for ''€635'' in each place, and

(*b*) in subsection (6)(*b*)(ii) by substituting ''(5A)'' for ''(5)'' in each place.

(3) Subsection (1) and subsection 2(*a*) have effect in relation to accounting periods ending on or after 1 January 2013.

Amendment of section 486C (relief from tax for certain start-up companies) of Principal Act.

33.—(1) Section 486C of the Principal Act is amended—

(*a*) in subsection (2)(*a*) by substituting ''at any time'' for ''in at any time'',

(*b*) in subsection (4)(*c*) by substituting ''For the purposes of this subsection and subsection (4A)'' for ''For the purposes of this subsection'',

(*c*) in subsection (4)(*d*) by substituting ''For the purposes of this subsection and subsection (4A)'' for ''For the purposes of this subsection'',

(*d*) by inserting the following after subsection (4):

''(4A) (*a*) In this subsection—

'corporation tax referable to the qualifying trade', in relation to an accounting period of a company, means the corporation tax payable by the company for the accounting period, so far as it is referable to—

(i) income from the qualifying trade for that accounting period, and

(ii) chargeable gains on the disposal of qualifying assets in relation to the trade in that accounting period;

'relevant accounting period', in relation to a company carrying on a qualifying trade, means an accounting period commencing on a date which occurs after the expiry of the relevant period in relation to the qualifying trade.

(*b*) (i) Subject to subparagraph (ii) and paragraphs (*d*) and (*e*), where for an accounting period of a company falling wholly or partly within the relevant period in relation to a qualifying trade carried on by the company—

(I) the total corporation tax payable by the company for the accounting period does not exceed the lower relevant maximum amount, and

(II) the total contribution for the accounting period exceeds the corporation tax referable to the qualifying trade for that accounting period,

the company may make a claim requiring the corporation tax referable to the qualifying trade for a relevant accounting period to be reduced by an amount (in subparagraph (ii) referred to as a 'first relevant amount') which is the lesser of—

(A) the total contribution for the relevant accounting period, and

(B) the amount of such excess as referred to in clause (II).

(ii) Where a claim under subparagraph (i) has been made for a relevant accounting period and the first relevant amount exceeds the corporation tax referable to the qualifying trade for the relevant accounting period, the company may make a claim requiring the corporation tax referable to the qualifying trade for the next accounting period to be reduced by the amount of that excess and any excess remaining after such reduction, if any, is made may, in turn, be applied by the company in a similar manner to reduce corporation tax referable to the qualifying trade for the succeeding accounting period and so on for each succeeding accounting period.

(*c*) (i) Subject to subparagraph (ii) and paragraphs (*d*) and (*e*), where for an accounting period of a company falling wholly or partly within the relevant period in relation to a qualifying trade carried on by a company—

(I) the total corporation tax payable by the company for the accounting period exceeds the lower relevant maximum amount but does not exceed the upper relevant maximum amount, and

(II) the total contribution for the accounting period exceeds the corporation tax referable to the qualifying trade for that accounting period,

the company may make a claim requiring the corporation tax referable to the qualifying trade for a relevant accounting period to be reduced by an amount (in subparagraph (ii) referred to as a 'second relevant amount') which is the lesser of—

(A) the total contribution for the relevant accounting period, and

(B) an amount determined by the following formula:

$$[C - (3 \times (T - M) \times C/T)] - R$$

where—

C is the total contribution for the first-mentioned accounting period,

T is the total corporation tax payable by the company for the first-mentioned accounting period,

M is the lower relevant maximum amount, and

R is the amount of relief to which the company is entitled under subsection (4)(*b*) for the first-mentioned accounting period.

(ii) Where a claim under subparagraph (i) has been made for a relevant accounting period and the second relevant amount exceeds the corporation tax referable to the qualifying trade for the relevant accounting period, the company may make a claim requiring the corporation tax referable to the qualifying trade for the next accounting period to be reduced by the amount of that excess and any excess remaining after such reduction, if any, is made may, in turn, be applied by the company in a similar manner to reduce corporation tax referable to the qualifying trade for the succeeding accounting period and so on for each succeeding accounting period.

(*d*) As respects a qualifying trade carried on by a company, the amount by which corporation tax referable to the qualifying trade for an accounting period may be reduced under this subsection shall not exceed such corporation tax.

(*e*) No further relief shall be available for any amount applied by a company to reduce corporation tax under this subsection.'',

and

(*e*) in subsection (5) by substituting ''subsections (4) and (4A)'' for ''subsection (4)''.

(2) *Paragraphs (b), (c), (d)* and *(e)* of *subsection (1)* have effect in relation to accounting periods ending on or after 1 January 2013.

Amendment of section 288 (balancing allowances and balancing charges) of Principal Act.

34.—(1) Section 288 of the Principal Act is amended in subsection (3C) by substituting ''5 years'' for ''10 years''.

(2) This section applies to expenditure incurred by a company after 13 February 2013.

35.—(1) Section 226 of the Principal Act is amended in subsection (1)— Amendment of section 226 (certain employment grants and recruitment subsidies) of and Schedule 4 (exemption of specified non-commercial State-sponsored bodies from certain tax provisions) to Principal Act.

(*a*) by inserting the following after paragraph (*d*):

"(*dd*) as respects grants or subsidies paid on or after the 1st day of September 2005, the Wage Subsidy Scheme, being a scheme administered by the Department of Social Protection,",

and

(*b*) by deleting paragraph (*e*).

(2) Schedule 4 to the Principal Act is amended—

(*a*) by inserting the following after paragraph 83A:

"83B. The Pharmaceutical Society of Ireland.",

and

(*b*) by inserting the following after paragraph 91:

"91A. Science Foundation Ireland.".

(3) (*a*) *Paragraph (a)* of *subsection (2)* is deemed to have come into force and have taken effect as on and from 22 May 2007.

(*b*) *Paragraph (b)* of *subsection (2)* is deemed to have come into force and have taken effect as on and from 25 July 2003.

36.—(1) Section 396B of the Principal Act is amended in subsection (5)— Amendment of section 396B (relief for certain trading losses on a value basis) of Principal Act.

(*a*) by substituting "Subject to paragraph (*b*), where a company" for "Where a company",

(*b*) by renumbering the existing provision as paragraph (*a*) of that subsection,

and

(*c*) by inserting the following after paragraph (*a*):

"(*b*) (i) In this paragraph 'relevant amount' means an amount (not being an amount incurred by a company for the purposes of a trade carried on by it) of charges on income, expenses of management or other amount (not being an allowance to which effect is given under section 308(4)) which is deductible from, or may be treated as reducing, profits of more than one description.

(ii) For the purposes of paragraph (*a*), where as respects an accounting period of a company a relevant amount is deductible from, or may be treated as reducing, profits of more than one description, the amount by which corporation tax is

reduced by virtue of subsection (3) shall be deemed to be the amount by which it would have been reduced if no relevant amount were so deductible or so treated.''.

(2) This section applies as respects accounting periods commencing on or after 1 January 2013.

Amendment of section 411 (surrender of relief between members of groups and consortia) of Principal Act.

37.—(1) Section 411 of the Principal Act is amended in subsection (1) by substituting the following for paragraph (*c*):

''(*c*) In determining for the purposes of this section and the following provisions of this Chapter whether one company (in this paragraph referred to as the 'first-mentioned company') is a 75 per cent subsidiary of another company—

(i) the other company shall be treated as not being the owner of—

(I) any share capital which it owns directly in a company if a profit on a sale of the shares would be treated as a trading receipt of its trade,

(II) any share capital which it owns indirectly and which is owned directly by a company for which a profit on the sale of the shares would be a trading receipt, or

(III) any share capital which it owns directly or indirectly in a company that is not a company which, by virtue of the law of a relevant territory, is resident for the purposes of tax in such a relevant territory,

and

(ii) the first-mentioned company shall not be treated as a 75 per cent subsidiary of the other company unless—

(I) that other company, by virtue of the law of a relevant territory, is resident for the purposes of tax in such a relevant territory, or

(II) the principal class of shares of that other company or, where the company is a 75 per cent subsidiary of another company, the principal class of shares of that other company, is substantially and regularly traded on a stock exchange in the State, on one or more than one recognised stock exchange in a relevant territory or territories or on such other stock exchange as may be approved of by the Minister for Finance for the purposes of Chapter 8A of Part 6.''.

(2) (*a*) Subject to *paragraph (b)*, this section applies as respects accounting periods ending on or after 1 January 2013.

(*b*) This section shall not have effect in relation to the determination of the amount of loss or other amount available for surrender under section 411(2) of the Principal Act for an accounting period beginning before 1 January 2013 and ending after that date to the extent that the loss or other amount is attributable to the part of the accounting period falling before 1 January 2013.

(*c*) Any apportionment necessary for the purposes of giving effect to *paragraph (b)* shall be made in accordance with section 4(6) of the Principal Act.

Life assurance policies and investment funds.

38.—(1) The Principal Act is amended in section 730F(1)—

(*a*) in paragraph (*a*)(ii) by substituting ''36 per cent'' for ''33 per cent'', and

(*b*) in paragraph (*b*) by substituting ''(S + 36) per cent'' for ''(S + 33) per cent''.

(2) The Principal Act is amended in section 730J—

(*a*) in paragraph (*a*)(i)(I) by substituting ''33 per cent'' for ''30 per cent'',

(*b*) in paragraph (*a*)(i)(II)(A) by substituting ''(S + 36) per cent'' for ''(S + 33) per cent'',

(*c*) in paragraph (*a*)(i)(II)(B) by substituting ''36 per cent'' for ''33 per cent'', and

(*d*) in paragraph (*a*)(ii)(I) by substituting ''(H + 33) per cent'' for ''(H + 30) per cent''.

(3) The Principal Act is amended in section 730K(1)—

(*a*) in paragraph (*a*) by substituting ''(S + 36) per cent'' for ''(S + 33) per cent'', and

(*b*) in paragraph (*b*) by substituting ''36 per cent'' for ''33 per cent''.

(4) The Principal Act is amended in Chapter 1A of Part 27—

(*a*) in section 739D(5A) in the formula in paragraph (*b*) by substituting ''(G x 36)'' for ''(G x 33)'', and

(*b*) in section 739E(1)—

(i) in paragraph (*a*)(ii) by substituting ''33 per cent'' for ''30 per cent'',

(ii) in paragraph (*b*)(ii) by substituting ''36 per cent'' for ''33 per cent'', and

(iii) in paragraph (*ba*) by substituting ''(S + 36) per cent'' for ''(S + 33) per cent''.

(5) The Principal Act is amended in Chapter 4 of Part 27—

(*a*) in section 747D(*a*)(i)(I)—

(i) in subclause (A) by substituting ''(S + 36) per cent'' for ''(S + 33) per cent'', and

(ii) in subclause (B) by substituting ''33 per cent'' for ''30 per cent'',

(*b*) in section 747D(*a*)(i)(II)—

(i) in subclause (A) by substituting ''(S + 36) per cent'' for ''(S + 33) per cent'', and

(ii) in subclause (B) by substituting ''36 per cent'' for ''33 per cent'',

(*c*) in section 747D(*a*)(ii)(I) by substituting ''(H + 33) per cent'' for ''(H + 30) per cent'', and

(*d*) in section 747E(1)(*b*)—

(i) in subparagraph (i) by substituting ''(S + 36) per cent'' for ''(S + 33) per cent'', and

(ii) in subparagraph (ii) by substituting ''36 per cent'' for ''33 per cent''.

(6) (*a*) *Subsection (1)* applies and has effect as respects the happening of a chargeable event in relation to a life policy (within the meaning of Chapter 5 of Part 26 of the Principal Act) on or after 1 January 2013.

(*b*) *Subsection (2)* applies and has effect as respects the receipt by a person of a payment in respect of a foreign life policy (within the meaning of Chapter 6 of Part 26 of the Principal Act) on or after 1 January 2013.

(*c*) *Subsection (3)* applies and has effect as respects the disposal in whole or in part of a foreign life policy (within the meaning of Chapter 6 of Part 26 of the Principal Act) on or after 1 January 2013.

(*d*) *Subsection (4)* applies and has effect as respects the happening of a chargeable event in relation to an investment undertaking (within the meaning of section 739B(1) of the Principal Act) on or after 1 January 2013.

(*e*) *Paragraphs (a)* to *(c)* of *subsection (5)* apply and have effect as respects the receipt by a person of a payment in respect of a material interest in an offshore fund (within the meaning of Chapter 4 of Part 27 of the Principal Act) on or after 1 January 2013.

(*f*) *Paragraph (d)* of *subsection (5)* applies and has effect as respects the disposal in whole or in part by a person of a material interest in an offshore fund (within the meaning of Chapter 4 of Part 27 of the Principal Act) on or after 1 January 2013.

REITS.

39.—The Principal Act is amended—

(*a*) in section 153 by inserting the following after subsection (4):

''(4A) Subsection (4) shall not apply to a property income dividend (within the meaning of section 705A).'',

(*b*) in section 172D by inserting the following after subsection (3A):

''(3B) Subsections (2) and (3) shall not apply to a property income dividend (within the meaning of section 705A).'',

and

(*c*) by inserting the following Part after Part 25:

''PART 25A

Real Estate Investment Trusts

Interpretation and application.

705A.—In this Part—

''aggregate income'', in relation to a company or group, means the aggregate profits of the company or group, as the case may be, as reduced by the aggregate net gains of the company or group, as the case may be;

''aggregate net gains'', in relation to a company or group, means the amount by which the sum of the gains recognised in arriving at the aggregate profits of the company or group, as the case may be, being gains which arise on the revaluation or disposal of investment property or other non-current assets, exceeds the sum of the losses so recognised, being losses which arise on such revaluation or disposal;

''aggregate profits'', in relation to a company or group, means the profit that is stated in accounts of the company or consolidated accounts of the group, as the case may be, being accounts made up in accordance with relevant accounting standards, or, where such accounts or consolidated accounts, as the case may be, have not been made up, the profits which would be so stated if such accounts or consolidated accounts, as the case may be, were made up in accordance with those standards;

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

''control'' shall be construed in accordance with section 432;

''distribution'' has the same meaning as in the Corporation Tax Acts;

''group'' means a group of companies comprising a holding company and its wholly-owned subsidiaries and a reference to a member of a group shall be construed as a reference to any company in the group;

''group Real Estate Investment Trust'' means a group, where—

(*a*) the principal company of that group

(i) has given a notice under section 705E, and

(ii) complies with the conditions in section 705B(1)(*a*), and

(*b*) the group complies with the conditions in section 705B(1)(*b*),

and any references to ''group REIT'' shall be construed accordingly;

''holding company'' means a company that holds another company as its wholly-owned subsidiary and, for the purpose of this definition and for the purpose of the immediately preceding definition, a company shall be a wholly-owned subsidiary of another company if and so long as 100 per cent of its ordinary share capital is directly owned by that other company;

''market value'' shall be construed in accordance with section 548;

''principal company'' means the company within a group that gives a notice to the Revenue Commissioners under section 705E(2);

''property income'', in relation to a company or group, means the property profits of the company or group, as the case may be, as reduced by the property net gains of the company or group, as the case may be;

''property income dividend'' means a dividend paid by a REIT or the principal company of a group REIT, as the case may be, from its property income;

''property net gains'', in relation to a company or group, means the amount by which the sum of the gains recognised in arriving at the aggregate profits of the company or group, as the case may be, being gains which arise on revaluation or disposal of investment property or other non-current assets which are assets of the

property rental business, exceeds the sum of the losses so recognised, being losses which arise on such revaluation or disposal;

''property profits'', in relation to a company or group, means an amount which is the lesser of—

(*a*) the amount which would be the aggregate profits of the company or group, as the case may be, if the residual business, if any, of the company or group, as the case may be, were disregarded, and

(*b*) the aggregate profits of that company or group, as the case may be;

''property rental business'' means a business which is carried on by a REIT or a group REIT, as the case may be, for the sole purpose of generating rental income in the State or outside the State, and, for the purpose of this definition, such businesses of a group are to be treated as a single business;

''qualifying investor'' in relation to a REIT or a group REIT, as the case may be, means—

(*a*) an investment undertaking within the meaning of section 739B(1), or

(*b*) a person referred to in paragraph (*a*), (*b*), (*f*) or (*ka*) of section 739D(6);

''Real Estate Investment Trust'' means a company which—

(*a*) has given a notice under section 705E, and

(*b*) complies with the conditions in section 705B(1),

and any references to ''REIT'' shall be construed accordingly;

recognised stock exchange'' means a stock exchange in a Member State, being a stock exchange which—

(*a*) is regulated by the appropriate regulatory authority of that Member State, and

(*b*) other than in the case of the Irish Stock Exchange, has substantially the same level of recognition in that Member State as the Irish Stock Exchange has in the State;

''relevant accounting standards'' has the meaning assigned to it in Schedule 17A;

''rental income'' means any rent-charge or payment in the nature of rent in respect of—

(*a*) residential premises within the meaning of section 96(1), and

(*a*) any building other than such residential premises;

''residual business'', in relation to a REIT or a group REIT, means any business carried on by the REIT or group REIT, as the case may be, which is not property rental business;

''specified accounting period'' means the accounting period in which the company or principal company, as the case may be, gives a notice under section 705E;

''specified return date for the accounting period'' has the same meaning as in section 959A;

''the Acts'' means the Tax Acts and the Capital Gains Tax Acts.

Conditions for notice under section 705E.

705B.—(1) Subject to subsections (2) and (3), the notice referred to in section 705E shall contain a statement to the effect that—

(*a*) each of the following conditions, in relation to a REIT or the principal company of a group REIT, as the case may be, is met throughout the specified accounting period, namely—

(i) it is resident in the State and not resident in another territory,

(ii) it is incorporated under the Companies Acts,

(iii) its shares are listed on the main market of a recognised stock exchange in a Member State, and

(iv) it is not a close company within the meaning of Chapter 1 of Part 13,

and

(*b*) each of the following conditions, in relation to a REIT or group REIT, as the case may be, is reasonably expected to be met at the end of the specified accounting period, namely—

(i) at least 75 per cent of the aggregate income of the REIT or group REIT derives from carrying on property rental business,

(ii) it conducts property rental business consisting of at least three properties, the market value of no one of which is more than 40 per cent of the total market value of the properties constituting the property rental business,

(iii) it maintains a property financing costs ratio (within the meaning of section 705H(1)) of at least 1.25:1; and

(iv) subject to having sufficient distributable reserves, it distributes to the shareholders of the REIT or the shareholders of the principal company of the group REIT, as the case may be, at least 85 per cent of the property income for each accounting period of the REIT or group REIT, as the case may be, by way of property income dividend, on or before the specified return date for the accounting period in relation to the REIT, or the principal company of the group REIT, as the case may be.

(2) Each of the conditions in sub-paragraphs (iii) and (iv) of subsection (1)(*a*) shall be regarded as having been met throughout the specified accounting period if that condition is met within the period of three years commencing on the

date on which the company or group becomes a REIT, or group REIT, as the case may be.

(3) The condition in subparagraph (ii) of subsection (1)(*b*) shall be regarded as having been met at the end of the specified accounting period if that condition is met within the period of three years commencing on the date on which the company or group becomes a REIT, or group REIT, as the case may be.

(4) Subparagraph (iv) of subsection (1)(*a*) shall not apply to a REIT or a group REIT, as the case may be, which is under the control of persons who are qualifying investors.

Conditions regarding shares.

705C.—(1) In this section—

''ordinary shares'' means shares other than preference shares;

''preference shares'' means shares which do not carry any right to dividends other than dividends at a rate per cent of the nominal value of the shares which is fixed, and which carry rights in respect of dividends and capital which are comparable with those general for fixed-dividend shares quoted on a stock exchange in the State.

(2) Each share issued by a REIT or the principal company of a group REIT, as the case may be, shall either—

(*a*) form part of its ordinary share capital, or

(*b*) be a preference share with no voting rights attaching to it.

(3) No more than one class of ordinary share shall be issued by a REIT or by the principal company of a group REIT, as the case may be.

Conditions regarding an accounting period.

705D.—Subject to subsections (2) and (3) of section 705B, where a notice has been given under section 705E by—

(*a*) a company, all of the conditions in section 705B(1) must continue to be met by that company for each accounting period following the specified accounting period until a notice has been issued in accordance with section 705O,

(*b*) a principal company in respect of a group, the conditions in section 705B(1)(a) must continue to be met by that principal company for each accounting period following the specified accounting period until a notice has been issued in accordance with section 705O, and

(*c*) a principal company in respect of a group, the conditions in section 705B(1)(b) must continue to be met by that group for each accounting period following the specified accounting period until a notice has been issued in accordance with section 705O.

Notice to become a Real Estate Investment Trust.

705E.—(1) A company shall not be a REIT unless it gives a notice to the Revenue Commissioners under this section.

(2) A group shall not be a group REIT unless a company (in this Part referred to as the 'principal company') which is a member of that group gives a notice to the Revenue Commissioners under this section.

(3) (*a*) A notice under this section is a notice in writing specifying a date on or after 1 January 2013—

(i) from which the company is to be a REIT, or

(ii) from which the group is to be a group REIT,

being a date that is not earlier than the date of the notice given under subsection (1) or subsection (2), as the case may be, and

(*b*) the notice shall, in the case of a group REIT, list all of the members of the group, to each of which the group REIT designation will apply.

(4) The date from which a company or group shall be a REIT or a group REIT, as the case may be, shall be the date—

(*a*) on or after 1 January 2013, as specified in a notice under subsection (3), and

(*b*) from which the company or group, as the case may be, meets, or is regarded as having met, the conditions of section 705B.

Duration of Real Estate Investment Trust.

705F.—A company or group shall not be a REIT or a group REIT, as the case may be, after the date specified in a notice issued in accordance with section 705O to the company or group, as the case may be.

Charge to tax.

705G.—(1) Notwithstanding anything in the Acts, but subject to the provisions of this Part, a company which is a REIT or a member of a group REIT shall not be chargeable to tax in respect of—

(*a*) income of its property rental business, or property profits.

(*b*) chargeable gains arising from disposal of assets of that property rental business.

(2) Where a company or group, which is, or which, subsequent to such acquisition, becomes, a REIT or group REIT, as the case may be, acquires an asset for the purposes of its property rental business, and following that acquisition—

(*a*) the asset is developed, the cost of which development exceeds 30 per cent of the market value of the asset at the date of commencement of the development, and

(*b*) the asset is disposed of within the period of three years beginning with the completion of the development,

then, notwithstanding the provisions of subsection (1), the profits arising therefrom, computed in accordance with the Tax Acts, shall be chargeable to corporation tax at the rate specified in section 21A.

Profit : financing cost ratio.

705H.—(1) In this section—

''property financing costs'' means costs, being costs of debt finance or finance leases for the purposes of property rental business, which are taken into account in arriving at aggregate profits, including amounts in respect of—

(*a*) interest, discounts, premiums, or net swap or hedging costs, and

(*b*) fees or other expenses associated with raising debt finance or arranging finance leases;

''property financing costs ratio'' means the ratio of the sum of property income and property financing costs of a company or group to the property financing costs of the company or group, as the case may be.

(2) This section applies to a REIT or a group REIT if the property financing costs ratio of the REIT or group REIT, as the case may be, is less than 1.25:1 for an accounting period.

(3) (*a*) Subject to paragraph (*b*), the REIT or the principal company of the group REIT, as the case may be, shall be charged to corporation tax under Case IV of Schedule D for the accounting period in respect of the amount by which the property financing costs of the REIT or group REIT, as the case may be, would have to be reduced for the property financing costs ratio to equal 1.25:1 for that accounting period.

(*b*) The amount mentioned in paragraph (*a*) shall not exceed 20 per cent of the property income of the REIT or group REIT, as the case may be.

(4) No loss, deficit, expense or allowance may be set off against the first-mentioned amount in subsection (3)(*a*) in charging that amount to corporation tax.

Funds awaiting reinvestment.

705I.—(1) This section applies where—

(*a*) a REIT or group REIT disposes of a property of its property rental business, or

(*b*) a REIT or a principal company, in the case of a group REIT, raises cash from the issue of ordinary share capital,

and the REIT or group REIT, as the case may be, holds the proceeds.

(2) (*a*) Profits arising from the investment of such proceeds, other than in property for the property rental business, shall be treated as property profits

during the period of 24 months commencing on—

(i) date of disposal, where subsection (1)(*a*) applies, or

(ii) date of issue of ordinary share capital, where subsection (1)(*b*) applies,

and as not being property profits thereafter.

(*b*) Any apportionment of profits for the purpose of paragraph (*a*) shall be made in accordance with section 4(6).

(3) Where the proceeds are held at any time after the date on which the period referred to in subsection (2) ends, the proceeds are to be treated as being assets of the residual business after that date.

Taxation of shareholders.

705J.—(1) This section applies where a REIT or group REIT, as the case may be, pays a property income dividend.

(2) Subject to subsection (3), a shareholder within the charge to corporation tax shall, notwithstanding any other provision of the Tax Acts, be chargeable to corporation tax under Case IV of Schedule D in respect of a distribution referred to in subsection (1).

(3) A property income dividend, received by a company which is a member of a group REIT from a company which is a member of the same group REIT, shall not be chargeable to corporation tax and the property income dividend shall not be taken into account in computing income for corporation tax of the first-mentioned company.

(4) Notwithstanding the provisions of subsection (2), and subject to subsection (3), a shareholder within the definition of ''qualifying company'' in section 110(1) shall be chargeable to corporation tax under Case III of Schedule D in respect of a distribution referred to in subsection (1).

Taxation of certain shareholders.

705K.—(1) In this section, and subject to subsection (2), 'holder of excessive rights' means a person, other than a qualifying investor, who—

(*a*) is beneficially entitled, directly or indirectly, to at least 10 per cent of the distribution

referred to in section 705B(1)(*b*)(iv),

(*b*) is beneficially entitled to, or controls directly or indirectly—

(i) at least 10 per cent of the share capital of, or voting rights in, the REIT, or

(ii) in the case of a group REIT, to at least 10 per cent of the share capital of, or voting rights in, the principal company.

(2) Where a shareholder becomes a holder of excessive rights in a company as a result of that company becoming a REIT or the principal company of a group REIT, then the provisions of subsection (3) will not apply for a period of three years commencing from the date specified by that company in accordance with section 705E(4).

(3) Where a REIT or group REIT makes a distribution to a holder of excessive rights and the REIT or group REIT, as the case may be, has not taken reasonable steps to prevent the distribution to such a person being made, the REIT or the principal company of the group REIT, as the case may be, shall, notwithstanding the provisions of section 705G, be treated as receiving an amount of income equal to the amount of the distribution.

(4) The amount of income referred to in subsection (3) shall be chargeable to corporation tax under Case IV of Schedule D and shall be treated as income

(*a*) arising in the accounting period in which the distribution is made, and

(*b*) against which no loss, deficit, expense or allowance may be set off.

Transfer of assets.

705L.—(1) Where a company becomes a REIT, the assets of the company before it becomes a REIT shall be deemed, for the purposes of the Capital Gains Tax Acts, to have been—

(*a*) sold by the company immediately before it becomes a REIT, and

(*b*) reacquired by the company immediately on becoming a REIT,

and such deemed sale and reacquisition shall be treated as being for a consideration equal to the market value of the assets on the date specified by the company, in accordance with section 705E(3)(*a*), in a notice under that section.

(2) Where a group becomes a group REIT, the assets of each member of the group before it becomes a group REIT shall be deemed for the purposes of the Capital Gains Tax Acts, to have been—

(*a*) sold by that member of the group immediately before the group becomes a group REIT, and

(*b*) reacquired by that member of the group immediately on the group becoming a group REIT,

and such deemed sale and reacquisition shall be treated as being for a consideration equal to the market value of the assets on the date specified by the principal company of the group, in accordance with section 705E(3)(*a*), in a notice under that section.

(3) Where an asset of a REIT or group REIT, as the case may be, which is used for the purposes of the property rental business of the REIT or group REIT, as the case may be, ceases to be used for such purposes and begins to be used for the purposes of the residual business of the REIT or group REIT, as the case may be, the asset shall be deemed for the purposes of the Capital Gains Tax Acts, to have been—

(*a*) sold by the REIT, or the relevant member of the group REIT, as the case may be, for that property rental business, and

(*b*) acquired by the REIT, or the relevant member of the group REIT, as the case may be, for that residual business,

at the date on which it ceases to be so used.

(4) The deemed sale and acquisition in subsection (3) shall be treated as being for a consideration equal to the market value of the asset at the date referred to in subsection (3). A gain accruing to the property rental business as a result of subsection (3) shall, notwithstanding the

provisions of section 705G, be a chargeable gain for the purposes of the Capital Gains Tax Acts.

(5) Where an asset of a REIT or group REIT, as the case may be, which is used for the purposes of the residual business, ceases to be used for such purposes and begins to be used for the purposes of the property rental business, the asset shall be deemed for the purposes of the Capital Gains Tax Acts, to have been—

(*a*) sold by the REIT, or the relevant member or members of the group REIT, as the case may be, for that residual business, and

(*b*) acquired by the REIT, or the relevant member or members of the group REIT, as the case may be, for that property rental business,

at the date on which it ceases to be so used, for a consideration equal to the market value of the asset on that date.

Annual statement to Revenue.

705M.—(1) Every REIT, or principal company in respect of a group REIT, shall, in respect of each accounting period, by 28 February in the year following the year in which the accounting period ends, make a statement to the Revenue Commissioners in electronic format approved by them, confirming that the conditions in section 705D have been met in relation to the REIT throughout the accounting period specified in the statement.

(2) Where a REIT or principal company in respect of a group REIT, as the case may be, cannot make the statement referred to in subsection (1), it shall notify the authorised officer of the Revenue Commissioners and that notification shall—

(*a*) state the date or dates on which the condition or conditions first ceased to be met and the date or dates (if any) on which the condition or conditions was or were met again,

(*b*) give a description of the respects in which the condition or conditions was or were not met, and

(*c*) give details of the steps (if any) taken to prevent a recurrence

of the condition or conditions not being met.

(3) Where a REIT, or principal company in respect of a group REIT—

(*a*) within a reasonable time determined by the authorised officer, fails to secure that a condition referred to in subsection (2) is met, or

(*b*) fails to make a statement required under subsection (1),

then, the Revenue Commissioners may treat the REIT or group REIT, as the case may be, as having ceased to be a REIT or group REIT at the end of the accounting period immediately prior to the accounting period in which the failure to meet the condition, or make the statement required, began and may apply the provisions of section 705O.

(4) Where a REIT, or principal company in respect of a group REIT—

(*a*) makes an incorrect or incomplete statement under subsection (1), or

(*b*) fails, without reasonable excuse, to make a statement under that subsection,

then, the REIT, or principal company in respect of a group REIT, as the case may be, shall be liable to a penalty of €3,000. For the purposes of the recovery of a penalty under this subsection, section 1061 shall apply in the same manner as it applies for the purposes of the recovery of a penalty under any of the sections referred to in that section.

Breach of conditions regarding distributions.

705N.—Where for an accounting period a REIT or group REIT does not comply with the provisions of section 705B(1)(*b*)(iv) in respect of the requirement to distribute at least 85 per cent of its property income—

(*a*) the REIT or the principal company of the group REIT, as the case may be, shall be charged to corporation tax under Case IV of Schedule D in respect of an amount calculated by subtracting the amount of property income distributed in respect of that accounting period from the

amount equal to 85 per cent of the property income of that accounting period, and

(*b*) no loss, deficit, expense or allowance may be set off against the first-mentioned amount in paragraph (*a*) in charging that amount to corporation tax,

but, where a company is restricted from making a distribution by reason of any provision of the Companies Acts, regard shall be had to such restriction in determining the amount, if any, chargeable to tax by virtue of paragraph (*a*).

Cessation Notice.

705O.—(1) Subsection (2) shall apply if a REIT or group REIT, as the case may be, gives a notice in writing to the Revenue Commissioners specifying a date from which it will cease to be a REIT or group REIT, as the case may be.

(2) The company or group shall cease to be a REIT or group REIT, as the case may be, at the date specified in the notice referred to in subsection (1).

(3) The specified date shall be a date on or after the date of the notice referred to in subsection (1).

(4) In accordance with section 705M(3), the authorised officer may by written notice state that any company or group shall cease to be a REIT or group REIT, as the case may be.

(5) The date the company or group ceases to be a REIT or group REIT, as the case may be, shall be a date specified by the authorised officer in the notice referred to in subsection (4).

(6) Where a notice is given under subsection (4), the REIT or group REIT to which the notice is given may, within 30 days from the date of such notice, appeal to the Appeal Commissioners and the Appeal Commissioners shall hear the appeal in all respects as if it were an appeal against an assessment.

(7) The notice of appeal referred to in subsection (6) shall be given in writing to the authorised officer.

Effect of cessation.

705P.—(1) Where a notice is given under sections 705O(1) or (4), a company or group which has ceased to be a REIT or group REIT, as the case may be, is to be treated for corporation tax purposes as

having ceased, at the date specified in the notice of cessation, to be a REIT or group REIT.

(2) Where a notice is given under sections 705O(1) or (4), the assets of the REIT or group REIT, as the case may be, shall be deemed to have been disposed of by the REIT or the members of the group REIT, as the case may be, immediately before the cessation date and reacquired by the post-cessation company or members of the group, as the case may be, immediately after the cessation date, at the market value on that cessation date.

Anti-avoidance provision.

705Q.—(1) This Part shall not apply to any transaction engaged in by, or on behalf of, a REIT or group REIT, or to which it is directly, or indirectly, a party unless the transaction has been undertaken 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.

(2) Where appropriate, a reference in subsection (1) to a REIT or a group REIT includes a reference to a company or a group before it has become, or after it has ceased to be, a REIT or a group REIT and, in the case of a group REIT, a company before it has become, or after it has ceased to be, a member of the group REIT.''.

Tax treatment of investment limited partnerships.

40.—(1) The Principal Act is amended—

(*a*) in section 246(1), in the definition of ''investment undertaking'', by deleting ''or'' in paragraph (*c*), by substituting ''(inserted by the Finance Act 2005), or'' for ''(inserted by the Finance Act 2005);'' in paragraph (*d*) and by inserting the following after paragraph (*d*):

''(*e*) an investment limited partnership within the meaning of section 739J;'',

(*b*) in section 734(1)(*a*), in the definition of ''collective investment undertaking'', by substituting ''(iii) a limited partnership (other than an investment limited partnership within the meaning of the Investment Limited Partnerships Act 1994) which—'' for ''(iii) a limited partnership which—'',

(*c*) in section 739B(1) in the definition of ''investment undertaking''—

(i) in paragraph (*b*) by inserting ''and'' after ''issued pursuant to the relevant Regulations,'',

(ii) by deleting ''and'' before paragraph (*d*), and

(iii) by deleting paragraph (*d*),

(*d*) in section 739D(6), by inserting the following paragraph after paragraph (*c*):

''(*cc*) is an investment limited partnership within the meaning of section 739J which has made a declaration to the investment undertaking in accordance with paragraph 4A of Schedule 2B,'',

(*e*) by inserting the following section after section 739I:

''Investment limited partnerships.

739J.—(1) (*a*) In this section 'investment limited partnership' means an investment limited partnership (within the meaning of the Investment Limited Partnerships Act 1994) which is not an offshore fund (within the meaning of section 743),

(*b*) For the purposes of this section the definitions of 'relevant gains', 'relevant income', 'relevant payment', 'relevant profits', 'unit' and 'unit holder' shall apply, with any necessary modifications, to an investment limited partnership as they apply to an investment undertaking.

(2) (*a*) Notwithstanding anything in the Acts and subject to subsection (3), an investment limited partnership shall not be chargeable to tax in respect of relevant profits.

(*b*) For the purposes of the Acts, relevant income and relevant gains in relation to an investment limited partnership shall be treated as arising, or as the case may be, accruing, to each unit holder of the investment limited partnership in proportion to the value of the units beneficially owned by the unit holder, as if the relevant income and relevant gains had arisen or, as the case may be, accrued to the unit holders in the investment limited partnership without passing through the hands of the investment limited partnership.

(3) Every investment limited partnership shall in respect of each year of assessment, on or before 28 February in the year following the year of assessment, make a statement

(including, where it is the case, a statement with a nil amount) to the Revenue Commissioners in electronic format approved by them which in respect of each year of assessment—

(*a*) specifies the total amount of relevant profits arising to the investment limited partnership in respect of units in the investment limited partnership, and

(*b*) specifies in respect of each person who is a unit holder—

(i) the name and address of the person,

(ii) the amount of the relevant profits to which the person is entitled, and

(iii) such other information as the Revenue Commissioners may require.

(4) Notwithstanding Chapter 4 of Part 8, that Chapter shall apply to a deposit (within the meaning of that Chapter) to which an investment limited partnership is for the time being entitled as if such deposit were not a relevant deposit within the meaning of that Chapter.'',

(*f*) in section 891C(1)(*a*) by substituting ''section 739I or an investment limited partnership within the meaning of section 739J'' for ''section 739I'',

and

(*g*) in Schedule 2B, by inserting the following paragraph after paragraph 4:

''4A. The declaration referred to in section 739D(6)(*cc*) is a declaration in writing to the investment undertaking which—

(*a*) is made by the person (in this paragraph referred to as the ''declarer'') who holds the units in respect of which the declaration is made,

(*b*) is signed by the declarer,

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

(*d*) declares that, at the time the declaration is made, the holder of the units is a general partner acting on behalf of the investment limited partnership,

(*e*) contains the name and tax reference number of the investment limited partnership, and

(*f*) contains such other information as the Revenue Commissioners may reasonably require for the purposes of Chapter 1A of Part 27.''.

(2) This section shall apply in respect of an investment limited partnership that has been granted an authorisation under section 8 of the Investment Limited Partnerships Act 1994 on or after 13 February 2013.

Chapter 6

Capital Gains Tax

Capital gains: rate of charge.

41.—(1) The Principal Act is amended—

(*a*) in section 28(3) by substituting ''33 per cent'' for ''30 per cent'', and

(*b*) in section 649A(1) by substituting the following for paragraph (*b*):

''(*b*) in the case of a relevant disposal made on or after 6 December 2012, 33 per cent.''.

(2) This section applies to disposals made on or after 6 December 2012.

Amendment of references to ''Irish currency'' in certain provisions of Principal Act.

42.—The Principal Act is amended by substituting ''the currency of the State'' for ''Irish currency'' in each place in the following provisions:

(*a*) section 532(*b*);

(*b*) subsections (1)(*a*) and (6) of section 541;

(*c*) section 541A(1).

Amendment of section 29 (chargeable persons) of Principal Act.

43.—Section 29 of the Principal Act is amended by inserting the following after subsection (5):

''(5A) (*a*) This subsection shall apply where an individual referred to in subsection (4) transfers, outside the State, any chargeable gains referred to in that subsection to his or her spouse or civil partner.

(*b*) Where this subsection applies, any amounts received in the State on or after 13 February 2013 which derive from the transfer of chargeable gains referred to in paragraph (*a*) shall be treated, for the purpose of subsection (4), as if they had been received in the State by the individual referred to in that subsection.''.

Amendment of section 541C (tax treatment of certain venture fund managers) of Principal Act.

44.—Section 541C of the Principal Act is amended—

(*a*) by substituting the following for subsection (1):

''(1) In this section—

'carried interest', in relation to a qualifying venture capital fund, means the share of profits (where the share ratio was agreed at the commencement of the qualifying venture capital fund) referred to in paragraph (*b*) of the definition of 'total profits' that are received by a company, partnership or individual in respect of the management of the qualifying venture capital fund;

'carried interest to which this section applies', in relation to a qualifying venture capital fund, means an amount of carried interest which is not greater than 20 per cent of the total profits of a qualifying venture capital fund and which is a proportion of the carried interest derived from the relevant investment;

'EEA Agreement' means the Agreement on the European Economic Area signed in Oporto on 2 May 1992, as adjusted by all subsequent amendments to that Agreement;

'EEA State' means a state which is a contracting party to the EEA Agreement;

'innovation activities' means development of new technological, telecommunication, scientific or business processes;

'investor', in relation to a relevant investment, means a person other than a person entitled to carried interest or a person connected with that person;

'proportion of carried interest derived from the relevant investment' means an amount of carried interest determined by the formula—

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

where—

A is carried interest,

B is the value of all relevant investments in an EEA State (including the State) of the qualifying venture capital fund, and

C is the value of all relevant investments of the qualifying venture capital fund;

'qualifying venture capital fund' means an entity structured in the form of a partnership the main purpose of which is to make relevant investments and where the individuals, companies or partnerships which invest in the partnership are either limited partners or general partners (as defined in the partnership agreement) who are obliged under a legally binding agreement to provide

capital sums for investment purposes over a period of time;

'relevant investment' means any investment made in unquoted shares or securities of a private trading company on or after 1 January 2009, where the qualifying venture capital fund retains the shares or securities in the company for a period of at least 3 years from the date of the initial investment and that company is—

(*a*) carrying on a business of research and development activities or innovation activities, and

(*b*) not carrying on an excepted trade within the meaning of section 21A;

'research and development activities' has the same meaning as in section 766(1);

'total profits', in relation to a qualifying venture capital fund, means the sum of—

(*a*) the profits which are attributable to investors in the fund by reference to an agreed initial rate of return, and

(*b*) the balance of the profits of the fund over and above those calculated by reference to the agreed initial rate of return.'',

and

(*b*) in subsection (2)(*a*) by inserting ''an individual or'' before ''a partnership''.

Amendment of section 599 (disposals within family of business or farm) of Principal Act.

45.—Section 599 of the Principal Act is amended—

(*a*) in subsection (1)(*a*) by substituting ''subparagraph'' for ''paragraph'' in subparagraph (iii),

(*b*) in subsection (1)(*b*) by inserting the following after subparagraph (ii):

''(ii*a*) where an individual who has attained the age of 66 years disposes of the whole or part of his or her qualifying assets to his or her child on or after 1 January 2014 and the market value of the qualifying assets is €3,000,000 or less, relief shall be given in respect of the capital gains tax chargeable on any gain accruing on the disposal;'',

(*c*) in subsection (1) by substituting the following for paragraph (*c*):

''(*c*) For the purposes of paragraph (*b*), the capital gains tax chargeable in respect of the gain shall be the amount of tax which would not have been chargeable but for that gain, but nothing in that paragraph shall affect the computation of gains accruing on the disposal of assets other than qualifying assets by an

individual who makes a disposal to which that paragraph applies.'',

and

(*d*) by substituting the following for subsection (2):

''(2) The consideration on the disposal of qualifying assets by the individual referred to in subparagraph (iii) of subsection (1)(*b*) on or after 1 January 2014 shall be aggregated for the purposes of that subparagraph.''.

Relief for farm restructuring.

46.—(1) The Principal Act is amended by inserting the following section after section 604A:

''604B.—(1) (*a*) In this section—

'agricultural land' means land used for the purposes of farming and such farm buildings together with the land occupied with such farm buildings as are of a character appropriate to such land but not including farm houses or mansion houses or the land occupied with such farm houses and mansion houses unless such farm houses or mansion houses are derelict and unfit for human habitation;

'exchange of farm land' means an exchange under which an interest in agricultural land is conveyed or transferred by a farmer to another farmer in exchange for receiving, by way of conveyance or transfer, an interest in agricultural land from that other farmer and includes an exchange where the agricultural land is conveyed or transferred by or to joint owners where all the joint owners (other than the spouse or civil partner of a joint owner) are farmers; and the date of the exchange shall be the date on which the conveyance or transfer is executed;

'farm restructuring certificate' means a certificate issued for the purposes of this section by Teagasc to a farmer in relation to a sale and purchase or an exchange of qualifying land where—

(i) the first sale or purchase of qualifying land occurs in the relevant period and the subsequent sale or purchase of that land occurs within the period of 24 months commencing on or after the date of the first sale or purchase of such land, or

(ii) the exchange occurs in the relevant period,

and which identifies the land concerned, the owner or owners of such land and certifies that Teagasc is satisfied, on the basis of information available to Teagasc at the time of so certifying, that the sale and purchase or the

exchange of qualifying land complies, or will comply, with the conditions relating to farm restructuring set down in the guidelines;

'farmer' means an individual who spends not less than 50 per cent of that individual's normal working time farming;

'guidelines' means guidelines made and published pursuant to paragraph (*b*)(i);

'interest in qualifying land' means an interest in qualifying land which is not subject to any power on the exercise of which the qualifying land, or any part of any interest in the qualifying land, may be revested in the person from whom it was purchased or exchanged or in any person on behalf of such person;

'purchase of qualifying land' means a conveyance or transfer of an interest in qualifying land to a farmer and includes a conveyance or transfer where the qualifying land is conveyed or transferred to joint owners where all the joint owners (other than the spouse or civil partner of a joint owner) are farmers; and the date of purchase of qualifying land shall be the date on which the conveyance or transfer is executed;

'qualifying land' means agricultural land in respect of which a farm restructuring certificate has been issued by Teagasc and that certificate has not been withdrawn;

'relevant period' means the period commencing on 1 January 2013 and ending on 31 December 2015;

'sale of qualifying land' means a conveyance or transfer of an interest in qualifying land by a farmer and includes a conveyance or transfer where the qualifying land is conveyed or transferred by joint owners where all the joint owners (other than the spouse or civil partner of a joint owner) are farmers; and the date of the sale of qualifying land shall be the date on which the conveyance or transfer is executed;

'Teagasc' means Teagasc — the Agricultural and Food Development Authority.

(*b*) For the purposes of this section—

(i) the Minister for Agriculture, Food and the Marine with the consent of the Minister for Finance may make and publish guidelines, from time to time, setting out—

(I) how an application for a farm restructuring certificate, in relation to a sale and purchase, or exchange, of agricultural land, is to be made,

(II) the documentation required to accompany such an application,

(III) the conditions relating to farm restructuring, and

(IV) such other information as may be required in relation to such application,

(ii) where an application is made in that regard, Teagasc shall issue a farm restructuring certificate in respect of a sale and purchase, or an exchange, of agricultural land, where they are satisfied, on the basis of the information available to Teagasc at that time, that the sale and purchase or exchange of such land complies, or will comply, with the conditions relating to farm restructuring, and

(iii) Teagasc may, by notice in writing, withdraw any farm restructuring certificate already issued.

(2) A gain shall not be a chargeable gain on a sale or exchange of qualifying land by an individual or individuals where the consideration for the qualifying land that is purchased or the other qualifying land that is exchanged is equal to or exceeds the consideration for the qualifying land that is sold or exchanged by the individual or individuals concerned.

(3) Where the consideration for the qualifying land that is purchased or exchanged by that individual or those individuals is less than the consideration for the qualifying land that is sold or the other qualifying land that is exchanged by the individual or individuals concerned, the chargeable gain that accrues in respect of the sale or exchange of the qualifying land shall be reduced in the same proportion that the consideration for the qualifying land that is purchased or exchanged bears to the consideration for the qualifying land that is sold or the other qualifying land that is exchanged.

(4) Where qualifying land in respect of which relief has been given under subsection (2) or (3) is disposed of within the period of 5 years from the date of the purchase or exchange of that qualifying land, capital gains tax shall be charged on the individual or individuals concerned as if the relief in those provisions had not applied.

(5) Subsection (4) shall not apply where the disposal arises as a consequence of a compulsory acquisition.

(6) Relief under subsection (2) or (3) shall be by means of discharge or repayment of tax or otherwise.''.

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

PART 2

Excise

Rates of tobacco products tax.

47.—The Finance Act 2005 is amended with effect as on and from 6 December 2012 by substituting the following for Schedule 2 to that Act (as amended by section 69 of the Finance Act 2012):

"SCHEDULE 2

Rates of Tobacco Products Tax

(With effect as on and from 6 December 2012)

Description of Product	Rate of Tax
Cigarettes	Rate of tax at— (*a*) except where paragraph (*b*) applies, €237.69 per thousand together with an amount equal to 8.83 per cent of the price at which the cigarettes are sold by retail, or (*b*) €271.91 per thousand in respect of cigarettes sold by retail where the rate of tax would be less than that rate had the rate been calculated in accordance with paragraph (*a*).
Cigars	Rate of tax at €275.342 per kilogram.
Fine-cut tobacco for the rolling of cigarettes	Rate of tax at €248.608 per kilogram.
Other smoking tobacco	Rate of tax at €191.022 per kilogram.

".

Amendment of Chapter 1 (mineral oil tax) of Part 2 of Finance Act 1999.

48.—(1) Chapter 1 of Part 2 of the Finance Act 1999 is amended—

(*a*) in section 97 by inserting the following after subsection (3):

"(4) For the purposes of this section, the application of a rate lower than the appropriate standard rate includes the application of a full or partial relief from mineral oil tax under any provision of excise law.",

(*b*) in section 101 by substituting the following for subsection (13):

"(13) The Commissioners may compile a list of persons who hold an auto-fuel trader's licence or a marked fuel trader's licence, and of the premises or places in respect of which those licences are in force, and notwithstanding any obligation to maintain secrecy or any other restriction on the disclosure or production of information obtained by or furnished to them, the Commissioners may, by electronic means or otherwise, make available to the public—

(*a*) those lists, and

(*b*) in a case where any such licence has been revoked, the name of the person who held the licence, the details of the premises or place concerned and the date of revocation of the licence.",

and

(*c*) by inserting the following section before section 102:

"Return of oil movements.

101B.—(1) A mineral oil trader who—

(*a*) is required, under section 101, to hold an auto-fuel trader's licence or a marked fuel trader's licence, or

(*b*) produces, sells or deals in, keeps for sale or delivery, or delivers liquefied petroleum gas, or heavy oil for use for air navigation,

shall furnish to an officer, in such form as the Commissioners may require, a return (in this section referred to as a 'return of oil movements') of the mineral oil sold, dealt in, kept for sale or delivery, supplied or delivered by that mineral oil trader during a month or such other period as the Commissioners may prescribe or otherwise require.

(2) A return of oil movements shall be made by such electronic means as the Commissioners may require and, without prejudice to the generality of section 917E of the Taxes Consolidation Act 1997, the relevant provisions of Chapter 6 of Part 38 of that Act shall apply to any such return.".

(2) *Subsection (1)(c)* comes into operation on such date as the Minister may appoint by order.

Relief for qualifying road transport operators.

49.—Chapter 1 of Part 2 of the Finance Act 1999 is amended by inserting the following before section 100:

"Relief for qualifying road transport operators.

99A.—(1) In this section—

'competent authority' in relation to another Member State, means the authority that has responsibility in that Member State for the administration of excise duties on mineral oil;

'fuel card' means a card or other electronic means, issued by a fuel card provider, for the primary purpose of purchasing petrol or gas oil;

'fuel card provider' means a company or other entity, or any association of such companies or entities, which provides fuel cards to persons, subject to an agreement with such persons;

'gas oil' means gas oil on which mineral oil tax at the standard rate (within the meaning of section 97(2)) has been paid;

'qualifying motor vehicle' means—

(*a*) a motor vehicle designed and constructed solely for the carriage of goods by road, and with a maximum permissible gross laden weight of not less than 7.5 tonnes, or

(*b*) a motor vehicle designed and constructed for the carriage of passengers by road, and within the definition of a category M2 or M3 vehicle in Annex II of Directive 2007/46/EC of the European Parliament and of the Council of 5 September 2007[1];

'qualifying road transport operator', as the case requires, means—

(*a*) a person who holds a national road haulage operator's licence or an international road haulage operator's licence granted under section 2 of the Road Traffic and Transport Act 2006,

(*b*) a person, other than a person referred to in paragraph (*a*), who holds a Community licence within the meaning of Regulation (EC) No. 1072/2009 of the European Parliament and of the Council of 21 October 2009[2],

(*c*) a person who holds a national road passenger transport operator's licence or an international road passenger transport operator's licence granted under section 2 of the Road Traffic and Transport Act 2006, or

(*d*) a person, other than a person referred to in paragraph (*c*), who holds a Community licence within the meaning of Regulation (EC) No. 1073/2009 of the European Parliament and of the Council of 21 October 2009[3];

'repayment period' means a period prescribed for the purposes of this section.

(2) Where it is shown to the satisfaction of the Commissioners that gas oil has been purchased during a repayment period by a qualifying road transport operator for use by that qualifying road transport operator in the course of business—

(*a*) as a propellant for a qualifying motor vehicle, and

(*b*) for the lawful carriage of persons or goods,

the Commissioners shall, subject to this section and to such conditions as the Commissioners may prescribe or otherwise impose, repay to that

[1]OJ No. L263, 9.10.2007, p.1
[2]OJ No. L300, 14.11.2009, p.72
[3]OJ No. L300, 14.11.2009, p.88

qualifying road transport operator a proportion of the tax paid on that gas oil, calculated in accordance with subsection (3).

(3) Subject to a maximum repayment rate of €75.00 per 1,000 litres, the amount to be repaid per 1,000 litres of gas oil under subsection (2) is determined by the formula—

$$A = (P - 1{,}000) \text{ X } 0.3$$

where—

A is the amount to be repaid per 1,000 litres, and

P is an estimate of the average price (exclusive of value-added tax) in euro per 1,000 litres of gas oil purchased by qualifying road transport operators during the repayment period, as determined in accordance with subsection (4).

(4) For the purposes of subsection (3) the estimate of the average price per 1,000 litres of gas oil for a repayment period shall be determined in accordance with data provided by the Central Statistics Office.

(5) A repayment shall not be made where—

(*a*) the qualifying road transport operator has obligations imposed by the Acts (within the meaning of section 1095(1) of the Taxes Consolidation Act 1997) and does not hold a current tax clearance certificate issued under that section,

(*b*) the qualifying road transport operator has obligations under section 101 or Parts 5 and 6 of the Mineral Oil Tax Regulations 2012 (S.I. No. 231 of 2012) and has not, during the repayment period concerned, complied with those obligations, or

(*c*) the qualifying road transport operator is established in another Member State and has, in that Member State, any obligations comparable to those mentioned in paragraphs (*a*) and (*b*), and does not, at such time and in such form as the Commissioners may prescribe or otherwise require, furnish to the Commissioners a statement from the competent authority of that Member State that the qualifying road transport operator has complied in full with those obligations.

(6) (*a*) Gas oil, in respect of which a repayment under subsection (2) has been

made, may only be used—

(i) by a person other than a qualifying road transport operator,

(ii) for a vehicle other than a qualifying motor vehicle, or

(iii) for a purpose other than the carriage of passengers or goods in the course of business,

where the amount so repaid has, before any such use, been returned to the Commissioners together with any interest payable under section 103(3) of the Finance Act 2001.

(*b*) Where any gas oil is subject to the requirements of paragraph (*a*), and where those requirements have not been complied with, that gas oil is for the purposes of this Chapter mineral oil on which the appropriate standard rate has not been paid.

(7) (*a*) Claims for repayment under subsection (2) shall be made in such form as the Commissioners may from time to time direct and shall be in respect of mineral oil purchased during a repayment period exclusively for use in qualifying motor vehicles.

(*b*) Except where the Commissioners may in any particular case allow, a repayment claim shall be made within 4 months following the end of the repayment period concerned.

(*c*) From such date as the Commissioners may appoint by order, claims for repayment under subsection (2) shall be made by such electronic means as the Commissioners may require and, without prejudice to the generality of section 917E of the Taxes Consolidation Act 1997, the relevant provisions of Chapter 6 of Part 38 of that Act shall apply to any such return.

(8) Without prejudice to the generality of section 104 and to any other conditions that may be prescribed, regulations under that section may, for the purposes of this section provide for—

(*a*) the registration of qualifying road transport operators with the Commissioners, and the information to be furnished by such operators for that purpose,

(*b*) the means by which payment is to be made for the gas oil concerned, including a requirement for payment by means of a fuel card approved by the Commissioners for that purpose,

(*c*) the records to be kept by qualifying road transport operators, and

(*d*) the information to be furnished to the Commissioners by a fuel card provider in relation to gas oil purchased by qualifying road transport operators.

(9) This section comes into operation on 1 July 2013.''.

Amendment of Chapter 1 (interpretation, liability and payment) of Part 2 of Finance Act 2001.

50.—Chapter 1 of Part 2 of the Finance Act 2001 is amended—

(*a*) in section 105B(1) by substituting ''Subject to subsections (2), (3) and (4) and to section 105BA'' for ''Subject to subsections (2) and (3)'', and

(*b*) by inserting the following section after section 105B:

''Unjust enrichment.

105BA.—(1) In this section—

'claimant' means a person who submits a claim for repayment under section 105B(1);

'overpaid amount' means an amount which is subject to repayment under section 105B(1).

(2) Where the Commissioners, in accordance with subsection (3), determine that the repayment of an overpaid amount, or any part of that amount, would result in the unjust enrichment of the claimant, they shall not repay that amount or part thereof.

(3) For the purposes of determining whether a repayment referred to in subsection (2) would result in the unjust enrichment of the claimant, the Commissioners shall, in relation to the overpaid amount concerned, have regard to—

(*a*) the extent to which the cost of that overpaid amount was, for practical purposes, passed on by that claimant to any other person or persons in the price charged for the excisable products, vehicles or other goods or services concerned,

(*b*) any net loss of profits which, based on their own analysis and on any information that may be provided by that claimant, they have

reason to believe to have been borne by the claimant as a result, and

(*c*) any other factors that the claimant brings to their attention.

(4) The Commissioners may request from the claimant any information relating to the circumstances of the overpaid amount and claim for repayment under section 105B(1) as is reasonable in the circumstances and which may assist them in making a determination under subsection (2).

(5) Notwithstanding the generality of subsection (2) where, having regard to subsection (3)(*a*), a repayment of an overpaid amount has, in whole or in part, been refused because of the extent to which the cost of the overpaid amount has been passed on to another person or other persons and—

(*a*) the claimant undertakes to pay to such person or persons an amount equivalent to the amount so passed on, and

(*b*) the Commissioners are satisfied that the claimant has adequate arrangements in place to identify and pay such person or persons,

the Commissioners shall, subject to subsection (6), repay to the claimant an amount equivalent to the amount that the claimant has so undertaken to pay.

(6) Where the claimant who has received a repayment of an overpaid amount under subsection (5) fails, by the 30th day next following the date on which the repayment was made, to pay the person or persons concerned as undertaken under subsection (5)(*a*), then the amount so repaid is, from that date, deemed not to be properly refundable and shall be returned to the Commissioners together with any interest due under section 103(3).''.

Amendment of section 109B (interpretation (Chapter 2A)) of Finance Act 2001.

51.—Section 109B of the Finance Act 2001 is amended—

(*a*) by substituting the following for the definition of ''place of direct delivery'':

'' 'place of direct delivery' means a place appointed by a designated consignee as the place of delivery for a consignment, other than—

(*a*) where the designated consignee is an authorised warehousekeeper, a tax warehouse approved

in relation to that authorised warehousekeeper under section 109 and entered as such on the SEED register, or

(*b*) where the designated consignee is a registered consignee, the address of that registered consignee as entered on the SEED register;'',

and

(*b*) by inserting the following definition:

'' 'SEED register' means the register of economic operators and of premises authorised as tax warehouses that is required to be maintained by the Commissioners under Article 19 of Council Regulation (EU) No. 389/2012 of 2 May 2012[1];''.

Amendment of Chapter 4 (powers of officers) of Part 2 of Finance Act 2001.

52.—Chapter 4 of Part 2 of the Finance Act 2001 is amended—

(*a*) in section 135(1)(*d*)(ii) by substituting ''any excisable products in or on, or in any manner attached to, the vehicle'' for ''any products being so transported'', and

(*b*) by substituting the following for section 136A:

''136A.—Where an officer has reason to believe that a person entering the State may, in relation to excisable products in the baggage of the person or otherwise transported by that person, be committing an offence under section 119 or 121, the officer, on production of the authorisation of that officer if so required by that person, may—

(*a*) require that person to stop, and to give to that officer—

(i) the name, address and date of birth of that person,

(ii) any information in relation to such excisable products or baggage, and

(iii) such excisable products for examination,

and

(*b*) examine any such baggage and excisable products.''.

Amendment of Chapter 5 (miscellaneous) of Part 2 of Finance Act 2001.

53.—Chapter 5 of Part 2 of the Finance Act 2001 is amended by substituting the following for section 144A:

''144A.—(1) Subject to subsections (2) and (3), any power, function or duty conferred or imposed on the Commissioners by any provision of excise law may, subject to the direction and control of the Commissioners, be exercised or performed on their behalf by an officer.

[1]OJ No. L121, 8.5.2012, p.1

(2) Any power, function or duty conferred or imposed on the Commissioners in relation to—

(*a*) tax warehousing under section 108A,

(*b*) the authorisation of a warehousekeeper and the approval of a tax warehouse under section 109,

(*c*) the authorisation of a registered consignor under section 109A,

(*d*) the registration of a registered consignee under subsections (3) and (4) of section 109J,

(*e*) the approval of a tax representative under section 109U(2), and

(*f*) vehicle registration tax and the registration of vehicles under—

(i) paragraph (*c*) of section 131(1),

(ii) paragraphs (*c*) and (*d*) of section 133(1), or

(iii) subsections (2) and (3) of section 136,

of the Finance Act 1992,

may be exercised or performed on their behalf, and subject to their direction and control, by an officer authorised by them in writing for that purpose.

(3) Subsections (1) and (2) shall not apply to any power of the Commissioners to make regulations under any provision of excise law.''.

Amendment of Chapter 3 (tobacco products tax) of Part 2 of Finance Act 2005.

54.—Chapter 3 of Part 2 of the Finance Act 2005 is amended—

(*a*) in section 71(1) by inserting the following definitions:

'' 'illicit tobacco product' means any tobacco product that has, contrary to the requirements of section 108A of the Finance Act 2001, been produced or processed in the State otherwise than in a tax warehouse;

'prohibited goods' means any machinery, apparatus, equipment, vessel, materials, substance or other thing which is being used, or was used, or is intended to be used, in the production or processing of any illicit tobacco product;

'unmanufactured tobacco' means any thing that falls to be classified as such under the combined nomenclature of the European Communities referred to in Article 1 of Council Regulation (EEC) No. 2658/87 of 23 July 1987[1];'',

(*b*) in section 78(3) by inserting ''sell or deliver,'' after ''keep for sale or delivery,'', and

[1]OJ No. L256, 7.9.1987, p.1

(*c*) by inserting the following section after section 78:

"Illicit manufacture of tobacco products.

78A.—(1) It is an offence under this subsection—

(*a*) to produce or process any illicit tobacco product or to attempt such production or processing, or to be concerned with any such production, processing, attempted production or attempted processing,

(*b*) to knowingly deal in any illicit tobacco product,

(*c*) to keep prohibited goods on any premises or other land or on any vehicle, or

(*d*) to deliver, or to be in the process of delivering, any illicit tobacco product or prohibited goods.

(2) Without prejudice to any other penalty to which a person may be liable, a person convicted of an offence under this section is liable—

(*a*) on summary conviction, to a fine of €5,000 or, at the discretion of the Court, to imprisonment for a term not exceeding 12 months, or to both, or

(*b*) on conviction on indictment, to a fine not exceeding €126,970 or, at the discretion of the Court, to imprisonment for a term not exceeding 5 years, or to both.

(3) Any tobacco products, materials or prohibited goods in respect of which an offence has been committed under subsection (1) are liable to forfeiture, and where any such products, materials or goods are found in or on a vehicle, or in any manner attached to a vehicle, that vehicle is also liable to forfeiture.

(4) (*a*) In the case of proceedings for an offence under subsection (1)(*c*), taken against a person who is the owner or the occupier for the time being of premises or other land on which prohibited goods are found, it shall be presumed until the contrary is proved that the prohibited goods concerned have been kept by that person on that premises or other land.

(*b*) Where any unmanufactured tobacco is found in the State and where that unmanufactured tobacco is not shown to the satisfaction of the Commissioners to be kept, or to be in the course of delivery—

(i) under a customs procedure within the meaning of Council Regulation (EEC) No. 2913/92 of 12 October 1992[2],

(ii) for use as raw material for the production of tobacco products in a tax warehouse,

(iii) for use as raw material for the production of any product or thing other than a tobacco product, or

(iv) for any other use that is not contrary to this section,

then it shall be presumed until the contrary is proved that the unmanufactured tobacco is prohibited goods.

(5) Section 13 of the Criminal Procedure Act 1967 shall apply in relation to an offence under this section as if, in place of the penalties specified in subsection (3) of that section, there were specified in that subsection the penalties provided for by subsection (2)(*a*) of this section, and the reference in subsection (2)(*a*) of section 13 of the Criminal Procedure Act 1967 to the penalties provided for in subsection (3) of that section shall be construed and apply accordingly.

(6) Where an offence under this section is committed by a body corporate and the offence is shown to have been committed with the consent or connivance of any person who, when the offence was committed, was a director, manager, secretary or other officer of the body corporate or a member of the committee of management or other controlling authority of the body corporate, that person as well as the body corporate shall be guilty of an offence and may be proceeded against and punished as if that person were guilty of the first-mentioned offence.''.

[2]OJ No. L302, 19.10.1992, p.1

Amendment of Chapter 1 (betting duty) of Part 2 of Finance Act 2002.

55.—(1) Chapter 1 of Part 2 of the Finance Act 2002 is amended—

(*a*) in section 67 by inserting the following after subsection (3):

''(3A) (*a*) Subject to paragraph (*b*) and to such conditions as the Revenue Commissioners may prescribe or otherwise impose, a bookmaker shall not be liable for betting duty on a bet made, laid or otherwise entered into by the bookmaker where it is shown to the satisfaction of the Revenue Commissioners to have been transferred by that bookmaker to another bookmaker and accepted by the other bookmaker.

(*b*) Where paragraph (*a*) applies, the bet so transferred shall, from the time it is accepted by that other bookmaker, be liable to betting duty under subsection (1) and that other bookmaker shall be liable for payment of the betting duty.'',

and

(*b*) in section 77(1)—

(i) in paragraph (*b*) by substituting ''betting duty, and'' for ''betting duty,'',

(ii) in paragraph (*c*) by substituting ''them.'' for ''them, and'', and

(iii) by deleting paragraph (*d*).

(2) Chapter 1 of Part 2 of the Finance Act 2002 is further amended in section 77(1) (as amended by *subsection (1)(b)*)—

(*a*) by substituting ''securing the payment of any duty imposed by this Chapter'' for ''securing the payment of betting duty'',

(*b*) in paragraph (*b*) by substituting ''duty'' for ''betting duty'', and

(*c*) by substituting the following for paragraph (*c*):

''(*c*) requiring the maintenance and production by bookmakers, remote bookmakers and remote betting intermediaries of their books, accounts, vouchers, and other records relating to the business carried on by them.''.

(3) *Subsection (2)* comes into operation on such day or days as the Minister for Finance may appoint by order and different days may be so appointed for different provisions or for different purposes.

Rates of alcohol products tax.

56.—The Finance Act 2003 is amended with effect as on and from 6 December 2012 by substituting the following for Schedule 2 to that Act:

"SCHEDULE 2

RATES OF ALCOHOL PRODUCTS TAX

(With effect as on and from 6 December 2012)

Description of Product	Rate of Tax
Spirits: … … … …	€36.85 per litre of alcohol in the spirits
Beer:	
Exceeding 0.5% vol but not exceeding 1.2% vol … …	€0.00
Exceeding 1.2% vol but not exceeding 2.8% vol … …	€9.56 per hectolitre per cent of alcohol in the beer
Exceeding 2.8% vol … …	€19.13 per hectolitre per cent of alcohol in the beer
Wine:	
Still and sparkling, not exceeding 5.5% vol … …	€123.51 per hectolitre
Still, exceeding 5.5% vol but not exceeding 15% vol … …	€370.64 per hectolitre
Still, exceeding 15% vol …	€537.81 per hectolitre
Sparkling, exceeding 5.5% vol	€741.28 per hectolitre
Other Fermented Beverages:	
(1) Cider and Perry:	
Still and sparkling, not exceeding 2.8% vol … …	€40.08 per hectolitre
Still and sparkling, exceeding 2.8% vol but not exceeding 6.0% vol … … … …	€80.16 per hectolitre
Still and sparkling, exceeding 6.0% vol but not exceeding 8.5% vol … … … …	€185.36 per hectolitre
Still, exceeding 8.5% vol	€262.92 per hectolitre
Sparkling, exceeding 8.5% vol	€525.85 per hectolitre
(2) Other than Cider and Perry:	
Still and sparkling, not exceeding 5.5% vol … …	€123.51 per hectolitre
Still, exceeding 5.5% vol	€370.64 per hectolitre
Sparkling, exceeding 5.5% vol	€741.28 per hectolitre
Intermediate Beverages:	
Still, not exceeding 15% vol	€370.64 per hectolitre
Still, exceeding 15% vol …	€537.81 per hectolitre
Sparkling … … …	€741.28 per hectolitre

".

Amendment of Chapter 1 (electricity tax) of Part 2 of Finance Act 2008.

57.—Chapter 1 of Part 2 of the Finance Act 2008 is amended—

(*a*) in section 63(1) by substituting "craft," for "craft." in paragraph (*g*) and by inserting the following after that paragraph:

"(*h*) to have been used under diplomatic arrangements in the State.",

and

(*b*) in section 64(1) by substituting "paragraphs (*b*), (*c*), (*d*) and (*h*)" for "paragraphs (*b*), (*c*) and (*d*)".

Amendment of Chapter 2 (natural gas carbon tax) of Part 3 of Finance Act 2010.

58.—Chapter 2 of Part 3 of the Finance Act 2010 is amended in section 71(1)—

(*a*) by deleting ''or'' in paragraph (*a*) and by substituting ''processes, or'' for ''processes.'' in paragraph (*b*), and

(*b*) by inserting the following after paragraph (*b*):

''(*c*) under diplomatic arrangements in the State.''.

Amendment of Chapter 3 (solid fuel carbon tax) of Part 3 of Finance Act 2010.

59.—(1) Chapter 3 of Part 3 of the Finance Act 2010 is amended—

(*a*) by substituting the following for Schedule 1:

''SCHEDULE 1

RATES OF SOLID FUEL CARBON TAX

(With effect as on and from 1 May 2013)

Description of Solid Fuel	Rate of Tax
Coal	€26.33 per tonne
Peat:	
Peat briquettes	€18.33 per tonne
Milled peat	€8.99 per tonne
Other peat	€13.62 per tonne

'',

(*b*) in section 77 by substituting the following for the definition of ''supplier'':

'' 'supplier' means an accountable person for the purposes of Part 2 of the Value-Added Tax Consolidation Act 2010 who supplies solid fuel or any other person who is a taxable person within the meaning of section 2 of that Act who supplies solid fuel;'',

(*c*) in section 78(3) by substituting ''€10'' for ''€15'',

(*d*) by substituting the following for section 79:

''79.—(1) Tax shall be charged at the time the solid fuel is first supplied in the State by a supplier and, except where subsections (2) or (3) apply, that supplier shall be accountable for and liable to pay the tax charged.

(2) (*a*) In this subsection 'manufacture', in relation to a solid fuel product, means the reconstituting or processing of a solid fuel to produce a solid fuel that has characteristics that are distinct from the solid fuel from which it is produced, and includes the production of compressed nuggets and briquettes, and similar products of a regular shape and size, but does not include extraction, washing, drying, breaking or grinding.

(*b*) Subject to such conditions as the Commissioners may prescribe, or otherwise require in any particular case, tax shall not be

charged on solid fuel supplied by a supplier to a manufacturer of a solid fuel product, where such solid fuel is used as a raw material in the manufacture of such product.

(*c*) Where paragraph (*b*) applies, tax shall be charged at the time when the manufactured solid fuel product is first supplied in the State by a supplier, and that supplier shall be accountable for and liable to pay the tax charged.

(3) A consumer shall be liable for any deficiency in the amount of tax charged on a supply, where that deficiency has resulted from false or misleading information furnished to the supplier concerned by that consumer, and no such liability shall attach to the supplier.'',

(*e*) by substituting the following for section 80:

''80.—Every supplier who is accountable under section 79 shall register with the Commissioners in accordance with such procedures as the Commissioners may prescribe or otherwise require.'',

and

(*f*) in section 82(1) by substituting ''processes, or'' for ''processes.'' in paragraph (*b*) and by inserting the following after that paragraph:

''(*c*) under diplomatic arrangements in the State.''.

(2) Chapter 3 of Part 3 of the Finance Act 2010 is further amended with effect as on and from 1 May 2014—

(*a*) by substituting the following for Schedule 1 (as amended by *subsection (1)(a)*):

''SCHEDULE 1

RATES OF SOLID FUEL CARBON TAX

(With effect as on and from 1 May 2014)

Description of Solid Fuel	Rate of Tax
Coal	€52.67 per tonne
Peat:	
Peat briquettes	€36.67 per tonne
Milled peat	€17.99 per tonne
Other peat	€27.25 per tonne

'',

and

(*b*) in section 78(3) (as amended by *subsection (1)(c)*) by substituting ''€20'' for ''€10''.

Amendment of section 130 (interpretation) of Finance Act 1992.

60.—Section 130 of the Finance Act 1992 is amended—

(*a*) by substituting the following for the definition of ''category C vehicle'':

'' 'category C vehicle' means a category M2 vehicle, a category M3 vehicle, a category N2 vehicle, a category N3 vehicle, a category T1 vehicle, a category T2 vehicle, a category T3 vehicle, a category T4 vehicle, a category T5 vehicle or a listed vehicle;'',

(*b*) by substituting the following for the definition of ''conversion'':

'' 'conversion' means the modification of the vehicle, which, in relation to—

(*a*) a registered vehicle, means the modification of the vehicle in such manner that any of the particulars recorded for the purpose of its registration are altered,

(*b*) an unregistered vehicle, means the modification of the vehicle in such manner that any of the particulars recorded for the purpose of its type-approval or, if it has been registered previously in another jurisdiction, for the purpose of the most recent such registration, are altered;'',

and

(*c*) by deleting the definitions of ''crew cab'' and ''pick-up''.

Amendment of section 132 (charge of excise duty) of Finance Act 1992.

61.—Section 132 of the Finance Act 1992 is amended in subsection (3) with effect as on and from 1 January 2013—

(*a*) in paragraph (*d*)(ii) by substituting ''a vehicle that, at all stages of manufacture, is classified as a category N1 vehicle with less than 4 seats,'' for ''a category N1 vehicle that, at the time of manufacture, has less than 4 seats'',

and

(*b*) by substituting the following for the Table to that subsection:

''Table

CO_2 Emissions (CO_2 g/km)	Percentage payable of the value of the vehicle
0g/km up to and including 80g/km	14% or €280 whichever is the greater
More than 80g/km up to and including 100g/km	15% or €300 whichever is the greater
More than 100g/km up to and including 110g/km	16% or €320 whichever is the greater
More than 110g/km up to and including 120g/km	17% or €340 whichever is the greater
More than 120g/km up to and including 130g/km	18% or €360 whichever is the greater

CO_2 Emissions (CO_2 g/km)	Percentage payable of the value of the vehicle
More than 130g/km up to and including 140g/km	19% or €380 whichever is the greater
More than 140g/km up to and including 155g/km	23% or €460 whichever is the greater
More than 155g/km up to and including 170g/km	27% or €540 whichever is the greater
More than 170g/km up to and including 190g/km	30% or €600 whichever is the greater
More than 190g/km up to and including 225g/km	34% or €680 whichever is the greater
More than 225g/km	36% or €720 whichever is the greater

''.

62.—Section 135C of the Finance Act 1992 is amended by substituting ''31 December 2013'' for ''31 December 2012'' in each place.

Amendment of section 135C (remission or repayment in respect of vehicle registration tax, etc.) of Finance Act 1992.

63.—Section 135D (inserted by section 83(1)(*j*) of the Finance Act 2012) of the Finance Act 1992 is amended in subsection (5) by substituting ''on the records maintained under section 60 of the Finance Act 1993'' for ''on the registration certificate issued in accordance with section 131(5)(*a*)''.

Amendment of section 135D (repayment of amounts of vehicle registration tax on export of certain vehicles) of Finance Act 1992.

64.—Section 136 of the Finance Act 1992 is amended by substituting the following for subsection (6):

''(6) For the purposes of subsection (5) the Commissioners may, subject to compliance with such conditions for securing payment as they may think fit to impose, permit payment of vehicle registration tax to be deferred to a day not later than the 15th day of the month following that in which the tax is charged.''.

Amendment of section 136 (authorisation of manufacturers, distributors and dealers and periodic payment of duty) of Finance Act 1992.

PART 3

Value-Added Tax

65.—In this Part ''Principal Act'' means the Value-Added Tax Consolidation Act 2010.

Interpretation (*Part 3*).

66.—The Principal Act is amended—

Receivers and liquidators.

(*a*) in section 28 by inserting the following after subsection (3):

''(4) Where, in the case of a business carried on, or that has ceased to be carried on, by an accountable person, services (being services that are supplied using the assets or part of the assets of an accountable person) are, under any power exercisable by another person (including a

receiver or liquidator), supplied by that other person in or towards the satisfaction of a debt owed by the accountable person, or in the course of winding up of a company, then those services shall be deemed to be supplied by the accountable person in the course or furtherance of his or her business.

(5) Where another person (including a receiver or liquidator), under any power exercisable by that other person, in or towards the satisfaction of a debt owed by a taxable person, or in the course of winding up of a company—

(*a*) makes a supply consisting of a letting of immovable goods, being the assets or part of the assets of the taxable person, and

(*b*) that other person exercises an option to tax that letting in accordance with section 97(1)(*a*)(i),

then that taxable person shall be deemed to have supplied that letting and to have exercised the option to tax.'',

(*b*) in section 65(1)(*b*) by substituting ''dispose of goods or supply services which pursuant to section 22(3) or 28(4) or (5)'' for ''dispose of goods which pursuant to section 22(3)'',

(*c*) in section 65(4) by substituting ''Every person who disposes of goods or supplies services which pursuant to section 22(3) or 28(4) or (5) are deemed to be supplied by an accountable person in the course of his or her business shall, within 14 days of the disposal or the supply of a service,'' for ''Every person who disposes of goods which pursuant to section 22(3) are deemed to be supplied by an accountable person in the course of his or her business shall, within 14 days of the disposal,'',

(*d*) in section 76(2) by substituting ''A person who disposes of goods or supplies services which pursuant to section 22(3) or 28(4) or (5)'' for ''A person who disposes of goods which pursuant to section 22(3)'',

(*e*) in section 76(2)(*a*)(i) by substituting the following for clause (I):

''(I) a true and correct return, prepared in accordance with regulations, of the total amount of tax which became due by the accountable person in that period in relation to—

(A) the disposal of the goods,

(B) the supply of the services, and

(C) any adjustment required under Chapter 2 of Part 8 in relation to the disposal of those goods or the supply of those services.'',

(*f*) in section 76(2) by substituting the following for paragraph (*b*):

''(*b*) send to the accountable person deemed to have disposed of the goods or supplied the services a statement containing such particulars as may be specified in regulations, and'',

(*g*) in section 76(2)(*c*) by substituting ''out of the proceeds of the disposal or the income from the services deemed to be supplied by the accountable person.'' for ''out of the proceeds of the disposal.'', and

(*h*) in section 76(3) by substituting ''The owner of the goods or the supplier of the services which pursuant to section 22(3) or 28(4) or (5)'' for ''The owner of the goods which pursuant to section 22(3)''.

Amendment of section 43 (vouchers, etc.) of Principal Act.

67.—Section 43 of the Principal Act is amended in subsection (3)—

(*a*) in paragraph (*a*)(i) by substituting ''to an accountable person'' for ''to a person'', and

(*b*) by substituting the following for paragraph (*b*):

''(*b*) an accountable person who acquires that coupon, stamp, telephone card, token or voucher whether from the supplier referred to in paragraph (*a*) or from any other accountable person in the course or furtherance of business, supplies it for consideration in the course or furtherance of business,''.

Amendment of section 59 (deduction for tax borne or paid) of Principal Act.

68.—Section 59(1)(*d*) of the Principal Act is amended by substituting ''paragraph 6(1), 7(1)'' for ''paragraph 6, 7''.

Amendment of section 64 (capital goods scheme) of Principal Act.

69.—Section 64 of the Principal Act is amended—

(*a*) in subsection (9)(*b*) by substituting the following for subparagraph (i):

''(i) a connected supply occurs and the seller enters into a written agreement with the purchaser to the effect that the purchaser shall be responsible for all obligations under this Chapter in relation to the capital good from the date of the supply or transfer of that capital good, as if—

(I) the purchaser had acquired or developed the capital good at the time it was acquired or developed by the seller,

(II) the total tax incurred and the amount deducted by that seller in relation to that capital good were the total tax incurred and the amount deducted by the purchaser, and

(III) any adjustments made in accordance with this Chapter by the seller were made by the purchaser,'',

(*b*) in subsection (9) by substituting the following for paragraph (*c*):

''(*c*) Where paragraph (*b*) applies —

(i) the purchaser shall:

(I) be responsible for the obligations referred to in paragraph (*b*)(i), and

(II) use the information in the copy of the capital good record issued by the seller in accordance with paragraph (*b*)(ii) for the purposes of calculating any tax chargeable or deductible in accordance with this Chapter in respect of that capital good by that purchaser from the date on which the supply or transfer referred to in paragraph (*b*)(i) occurs,

and

(ii) the connected supply shall be deemed not to be a supply for the purposes of this Act.'',

and

(*c*) by inserting the following after subsection (12):

''(12A) (*a*) In this subsection—

'end date' means the date on which either the mortgagee ceases to have possession or the receiver's appointment ends;

'mortgagee' includes any person having the benefit of a charge or lien or any person deriving title to the mortgage under the original mortgagee;

'start date' means the date on which either the mortgagee takes possession or the receiver is appointed.

(*b*) Where a capital good is held as security or is subject to a charge or lien and either—

(i) a mortgagee is in possession, or

(ii) a receiver has been appointed by or on the application of a mortgagee or under section 147 of the National Asset Management Agency Act 2009 or by any other means,

then the capital goods owner (in this subsection referred to as the 'defaulter') shall

furnish a copy of the capital goods record to that mortgagee or that receiver and on and from the start date, but subject to the subsequent provisions of this subsection, that mortgagee or that receiver shall be treated for the purposes of this Chapter as if that mortgagee or that receiver were the capital goods owner.

(*c*) Where paragraph (*b*) applies the mortgagee or the receiver shall be responsible for all obligations of that defaulter under this Chapter as if—

(i) the capital good were acquired or developed by that mortgagee or that receiver at the time it was acquired or developed by the defaulter,

(ii) the total tax incurred and the amount deducted by the defaulter in relation to the good were the total tax incurred and the amount deducted by that mortgagee or that receiver, and

(iii) any adjustments required to be made under this Chapter by the defaulter had been made,

and that mortgagee or that receiver shall use the information in the copy of the capital good record issued by the defaulter, in accordance with paragraph (*b*), for the purposes of calculating any tax payable by that mortgagee or that receiver in accordance with this Chapter and section 76(2) for the remainder of the adjustment period applicable to that capital good.

(*d*) Where paragraph (*c*) applies and if—

(i) the mortgagee ceases to have possession, or

(ii) the receiver's appointment ends and the capital good has not been disposed of by the receiver,

then that mortgagee or that receiver shall furnish a copy of the capital goods record to the defaulter and from the end date the defaulter shall be treated for the purposes of this Chapter as if that defaulter were the capital goods owner.

(*e*) Where paragraph (*d*) applies the defaulter shall be responsible for all obligations of that mortgagee or that receiver under this Chapter as if—

(i) the capital good were acquired or developed by the defaulter at the time it was deemed, in accordance with

paragraph (*c*)(i), to have been acquired by the mortgagee or the receiver,

(ii) the total tax deemed to be incurred and the amount deemed to be deducted by that mortgagee or that receiver, in accordance with paragraph (*c*)(ii), in relation to the good were the total tax incurred and the amount deducted by the defaulter, and

(iii) any adjustments required to be made under this Chapter by that mortgagee or that receiver had been made,

and the defaulter shall use the information in the copy of the capital good record issued by the mortgagee or the receiver, in accordance with paragraph (*d*), for the purposes of calculating any tax payable or deductible by that defaulter in accordance with this Chapter for the remainder of the adjustment period applicable to that capital good.

(*f*) Where an amount of tax is payable in respect of an interval in accordance with subsection (2)(*b*)(i) or (3)(*b*)(i), and where the start date or the end date or both occur during that interval, the amount of that tax that shall be payable by the mortgagee or the receiver shall be calculated in accordance with the following formula—

$$J \times \frac{K}{L}$$

where—

J is the amount of the tax payable in accordance with subsection (2)(*b*)(i) or (3)(*b*)(i),

K is the number of days during the interval in which the mortgagee has possession or the receiver has been appointed,

L is the number of days in the interval,

and the defaulter shall pay the balance.

(*g*) Where there is an increase in the amount of tax deductible in respect of an interval in accordance with subsection (2)(*b*)(ii) or (3)(*b*)(ii), and where the start date or the end date or both occur during that interval, the amount of that increase in deductibility to which the mortgagee or the receiver shall be entitled shall be calculated using the following formula—

$$M \times \frac{K}{L}$$

where—

M is the amount of the increase in deductibility in accordance with subsection (2)(*b*)(ii) or (3)(*b*)(ii),

K is the number of days during the interval in which the mortgagee has possession or the receiver has been appointed,

L is the number of days in the interval,

and the defaulter shall be entitled to the balance.''.

Amendment of section 80 (tax due on moneys received basis) of Principal Act.

70.—Section 80(1)(*b*) of the Principal Act is amended with effect from 1 May 2013 by substituting ''€1,250,000'' for ''€1,000,000''.

Amendment of section 86 (special provisions for tax invoiced by flat-rate farmers) of Principal Act.

71.—Section 86(1) of the Principal Act is amended with effect from 1 January 2013 by substituting ''4.8 per cent'' for ''5.2 per cent''.

Amendment of section 120 (regulations) of Principal Act.

72.—Section 120(9)(*b*) of the Principal Act is amended—

(*a*) in subparagraph (iii) by substituting ''transmitted;'' for ''transmitted; and'',

(*b*) in subparagraph (iv) by substituting ''Revenue Commissioners; and'' for ''Revenue Commissioners,'', and

(*c*) by inserting the following after subparagraph (iv)—

''(v) the conditions to which the evidence of the business controls used to comply with paragraph (*a*) of section 66(2A) shall be subject as referred to in paragraph (*b*) of that provision,''.

Amendment of Schedule 1 (exempt activities) and Schedule 3 (goods and services chargeable at the reduced rate) to Principal Act.

73.—(1) Schedule 1 to the Principal Act is amended—

(*a*) in paragraph 5 by substituting the following for subparagraph (3):

''(3) The promotion of sporting events (other than in the course of the provision of facilities for taking part in sporting activities including golf or physical education activities of the kind specified in subparagraph (1) or (1A) of paragraph 12 of Schedule 3).'',

(*b*) in paragraph 6(1) by deleting clause (*g*),

(*c*) in paragraph 6(1)(*i*) by substituting ''subparagraph'' for ''paragraph'',

(*d*) in paragraph 6(2) by substituting ''Financial services that consist of managing an undertaking of a kind specified in this subparagraph:'' for ''The following undertakings are specified for the purpose of subparagraph (1)(*g*):'',

(*e*) in paragraph 6(2) by inserting the following after clause (*e*):

''(*ea*) an undertaking that enters into specified financial transactions within the meaning of Part 8A of the Taxes Consolidation Act 1997 where that undertaking corresponds to an undertaking specified elsewhere in this subparagraph;'',

(*f*) in paragraph 6(2) by substituting the following for clause (*f*):

''(*f*) any other undertaking that is determined by the Minister to be a collective investment undertaking for the purposes of this subparagraph.'',

(*g*) by substituting the following for paragraph 7:

''7. (1) The supply of agency services relating to the financial services specified in subparagraph (1) of paragraph 6, excluding management and safekeeping services in regard to the services specified in clause (*a*) of that subparagraph.

(2) The supply of agency services relating to the financial services specified in paragraph 6(2).'',

and

(*h*) in paragraph 11(1)(*c*) by substituting ''subparagraph (1) or (1A) of paragraph 12'' for ''paragraph 12(1)''.

(2) Schedule 3 to the Principal Act is amended—

(*a*) in paragraph 11(*a*) by substituting ''subparagraph (1) or (1A) of paragraph 12'' for ''paragraph 12(1)'',

(*b*) in paragraph 12 by substituting the following for subparagraph (1):

''(1) The provision of facilities for taking part in sporting activities including golf or physical education activities, and closely related activities, by an entity other than a non-profit making organisation, the State or a public body.'',

and

(*c*) in paragraph 12 by inserting the following after subparagraph (1):

''(1A) The provision of facilities for taking part in sporting activities including golf or physical education activities, and closely related activities, by the State or a public body, where the total consideration received

by such entity for providing those facilities exceeds, or is likely to exceed, the services threshold during any continuous period of 12 months.''.

(3) *Paragraphs (a)* and *(h)* of *subsection (1)* and *subsection (2)* have effect on and from 1 January 2013.

PART 4

Stamp Duties

Interpretation (*Part 4*).

74.—In this Part ''Principal Act'' means the Stamp Duties Consolidation Act 1999.

Amendments relating to self-assessment provisions.

75.—The Principal Act is amended—

(*a*) in section 20 by inserting the following after subsection (2):

''(2A) If at any time it appears for any reason an assessment is incorrect the Commissioners shall make such other assessment as they consider appropriate and any such assessment shall be substituted for the first-mentioned assessment.'',

(*b*) in section 21(1) by substituting the following for the definition of ''time for bringing an appeal'':

'' 'time for bringing an appeal' means 30 days after the date of the assessment.'',

(*c*) in section 21 by substituting the following for subsection (2):

''(2) An accountable person who is dissatisfied with an assessment of the Commissioners in relation to an instrument may appeal to the Appeal Commissioners against the assessment on giving, within the time for bringing an appeal, notice in writing to the Commissioners and the appeal shall be heard and determined by the Appeal Commissioners whose determination shall be final and conclusive unless the appeal is required to be reheard by a judge of the Circuit Court or a case is required to be stated in relation to it for the opinion of the High Court on a point of law.'',

(*d*) in section 21 by substituting the following for subsection (3):

''(3) No appeal may be made against—

(*a*) an assessment made by an accountable person, or

(*b*) an assessment made on an accountable person by the Commissioners, where the duty had been agreed between the Commissioners and the accountable person, or any person authorised by the accountable person in that behalf, before the making of the assessment.'',

(*e*) in section 21(4) by substituting the following for paragraph (*a*):

''(*a*) Where—

(i) an accountable person fails to cause an electronic return or a paper return to be delivered in relation to an instrument, or

(ii) the Commissioners are not satisfied with the electronic return or the paper return which has been delivered, or have received any information as to its insufficiency,

and the Commissioners make an assessment in accordance with section 20, no appeal may be made against that assessment unless within the time for bringing an appeal—

(I) in a case to which subparagraph (i) applies, an electronic return or a paper return is delivered to the Commissioners, and

(II) in a case to which either subparagraph (i) or (ii) applies, the accountable person pays or has paid an amount of duty on foot of the assessment which is not less than the duty which would be payable on foot of the assessment if the assessment were made in all respects by reference to the return delivered to the Commissioners.'',

(*f*) in section 79 by deleting subsection (6),

(*g*) in section 80 by deleting subsection (7),

(*h*) in section 80A by deleting subsection (7), and

(*i*) by deleting section 131.

Land: special provisions.

76.—(1) The Principal Act is amended—

(*a*) by inserting the following after section 31:

''Resting in contract.

31A.—(1) Where—

(*a*) the holder of an estate or interest in land in the State enters into a contract or agreement with another person for the sale of the estate or interest to that other person or to a nominee of that other person, and

(*b*) a payment which amounts to, or as the case may be payments which together amount to, 25 per cent or more of the consideration for the sale has been paid to, or at the direction of, the holder of the estate or interest at any time pursuant to the contract or agreement,

then the contract or agreement shall be chargeable with the same stamp duty, to be paid by the other person, as if it were a conveyance or transfer of the estate or interest in the land.

(2) Subsection (1) does not apply where, within 30 days of the date on which a payment which amounts to, or as the case may be payments which together amount to, 25 per cent or more of the consideration for the sale referred to in subsection (1) has been paid—

(*a*) an electronic return or paper return has been delivered to the Commissioners in relation to a conveyance or transfer made in conformity with the contract or agreement referred to in subsection (1), and

(*b*) the stamp duty chargeable on the conveyance or transfer has been paid to the Commissioners.

(3) Where stamp duty has been paid, in respect of a contract or agreement, in accordance with subsection (1), a conveyance or transfer made in conformity with the contract or agreement shall not be chargeable with any duty, and the Commissioners, where an electronic return or paper return has been delivered to them in relation to the conveyance or transfer, shall either denote the payment of the duty on the conveyance or transfer or transfer the duty to the conveyance or transfer on production to them of the contract or agreement, duly stamped.

(4) The stamp duty paid on any contract or agreement, in accordance with subsection (1), shall be returned where it is shown to the satisfaction of the Commissioners that the contract or agreement has been rescinded or annulled.

Licence agreements.

31B.—(1) In this section 'development', in relation to any land, means—

(*a*) the construction, demolition, extension, alteration or reconstruction of any building on the land, or

(*b*) any engineering or other operation in, on, over or under the land to adapt it for materially altered use.

(2) Where—

(*a*) the holder of an estate or interest in land in the State enters into an agreement with another person under which that other person, or

a nominee of that other person, is entitled to enter onto the land to carry out development on that land, and

(*b*) by virtue of the agreement, otherwise than as consideration for the sale of all or part of the estate or interest in the land, the holder of the estate or interest in the land receives at any time a payment which amounts to, or as the case may be payments which together amount to, 25 per cent or more of the market value of the land concerned,

then within 30 days of the first such time, the agreement shall be chargeable with the same stamp duty, to be paid by that other person, as if it were a conveyance or transfer of the estate or interest in the land.

(3) The stamp duty paid on any agreement, in accordance with subsection (2), shall be returned where it is shown to the satisfaction of the Commissioners that the agreement has been rescinded or annulled.'',

(*b*) by deleting section 36,

(*c*) by inserting the following after section 50:

''Agreements for more than 35 years charged as leases.

50A.—(1) An agreement for a lease or with respect to the letting of any lands, tenements, or heritable subjects for any term exceeding 35 years, shall be charged with the same stamp duty as if it were an actual lease made for the term and consideration mentioned in the agreement where 25 per cent or more of that consideration has been paid.

(2) The stamp duty paid on any agreement for a lease, in accordance with subsection (1), shall be returned where it is shown to the satisfaction of the Commissioners that the agreement for a lease has been rescinded or annulled.'',

and

(*d*) by substituting ''section 50 or 50A'' for ''section 50'' in paragraph (4) of the Heading ''LEASE'' in Schedule 1.

(2) Section 82 (other than subsection (2) of that section) of the Finance (No. 2) Act 2008 is repealed.

(3) *Subsection (1)* applies as respects instruments executed on or after 13 February 2013 other than instruments executed solely in pursuance of a binding contract or agreement entered into before 13 February 2013.

77.—Section 81AA of the Principal Act is amended in subsection (16) by substituting ''31 December 2015'' for ''31 December 2012''.

Amendment of section 81AA (transfers to young trained farmers) of Principal Act.

78.—The Principal Act is amended—

Amendment of section 88 (certain stocks and marketable securities) and section 90 (certain financial services instruments) of Principal Act.

(*a*) in section 88(1)(*b*) by substituting the following for subparagraph (i):

''(i) units in an investment undertaking within the meaning of section 739B of the Taxes Consolidation Act 1997,'',

(*b*) in section 88(1)(*b*) by inserting the following after subparagraph (i):

''(i*a*) units in a common contractual fund within the meaning of section 739I of the Taxes Consolidation Act 1997,

(i*b*) units in an investment limited partnership within the meaning of section 739J of the Taxes Consolidation Act 1997,'',

(*c*) in section 88(2) by substituting the following for paragraph (*b*):

''(*b*) any stocks or marketable securities of a company which is registered in the State, other than a company which is—

(i) an investment undertaking within the meaning of section 739B of the Taxes Consolidation Act 1997, or

(ii) a qualifying company within the meaning of section 110 of the Taxes Consolidation Act 1997.'',

and

(*d*) in section 90(3) by substituting the following for paragraph (*b*):

''(*b*) any stocks or marketable securities of a company which is registered in the State, other than a company which is—

(i) an investment undertaking within the meaning of section 739B of the Taxes Consolidation Act 1997, or

(ii) a qualifying company within the meaning of section 110 of the Taxes Consolidation Act 1997.''.

79.—Section 123B of the Principal Act is amended—

Amendment of section 123B (cash, combined and debit cards) of Principal Act.

(*a*) in subsection (1) by substituting the following for the definition of ''account holder'':

‘‘ ‘account holder’, in relation to a basic payment account, means the person in whose name the account is held;’’,

(*b*) in subsection (1) by substituting the following for the definition of ‘‘basic payment account’’:

‘‘ ‘basic payment account’ means a card account—

(*a*) which is issued only to an account holder who in the period of financial exclusion—

(i) did not hold a card account, or

(ii) held a card account but no account holder-initiated transactions occurred on that account in the period of financial exclusion,

(*b*) where, in respect of every 2 consecutive quarters, all amounts paid into the card account, other than amounts paid to the account holder by electronic funds transfer under the Social Welfare Acts, do not exceed €4,500 (in this section referred to as the ‘threshold amount’) in each quarter, and

(*c*) which is a standard bank account with one of the following banks:

(i) Allied Irish Banks plc;

(ii) the Governor and Company of the Bank of Ireland;

(iii) Permanent TSB plc;’’,

(*c*) in subsection (1) by inserting the following definitions:

‘‘ ‘period of financial exclusion’ means the period of 3 years immediately preceding the date of an application to open a basic payment account;

‘quarter’ means a period of 3 consecutive months or any commensurate period by reference to which a promoter in the course of its business calculates all amounts paid into a card account;’’,

(*d*) by inserting the following after subsection (1):

‘‘(1B) Where the promoter has served notice of the termination of the basic payment account, the account shall not cease to be a basic payment account until the expiry of 2 months from the date of service of the notice.’’,

(*e*) in subsection 3(*c*) by deleting ‘‘in relation to the year 2012,’’, and

(*f*) by inserting the following after subsection (10):

‘‘(11) The Minister, following a review of this section, for the purposes of ensuring that the conditions governing the opening of a basic payment account are such that

the section achieves its intended purpose may by order vary—

(*a*) the duration of the period of financial exclusion, and

(*b*) the threshold amount, subject to a maximum variation of 20 per cent.

(12) Every order made by the Minister under subsection (11) shall be laid before Dáil Éireann as soon as may be after it is made and, if a resolution annulling the order is passed by Dáil Éireann within the next 21 days on which Dáil Éireann has sat after the order is laid before it, the order shall be annulled accordingly, but without prejudice to the validity of anything previously done under the order.''.

Amendment of section 125A (levy on authorised insurers) of Principal Act.

80.—Section 125A of the Principal Act is amended—

(*a*) in subsection (1) by substituting the following for the definition of ''accounting period'':

'' 'accounting period' means the first accounting period or a subsequent accounting period, as the case may be;'',

(*b*) in subsection (1) by substituting the following for the definition of ''due date'':

'' 'due date' means—

(*a*) in relation to the first accounting period, 21 May 2013, and

(*b*) in relation to a subsequent accounting period, the 21st day of the second next month following the end of the accounting period;'',

(*c*) in subsection (1) by substituting the following for the definition of ''specified rate'':

'' 'specified rate' means—

(*a*) in respect of relevant contracts renewed or entered into on or after 1 January 2013 and on or before 30 March 2013—

(i) €95 in respect of an insured person aged less than 18 years, and

(ii) €285 in respect of an insured person aged 18 years or over,

and

(*b*) in respect of relevant contracts renewed or entered into after 30 March 2013—

(i) €100 in respect of an insured person aged less than 18 years insured under a relevant contract which provides for non-advanced cover,

(ii) €120 in respect of an insured person aged less than 18 years insured under a relevant contract which provides for advanced cover,

(iii) €290 in respect of an insured person aged 18 years or over insured under a relevant contract which provides for non-advanced cover, and

(iv) €350 in respect of an insured person aged 18 years or over insured under a relevant contract which provides for advanced cover;'',

(*d*) in subsection (1) by inserting the following definitions:

'' 'advanced cover' and 'non-advanced cover', in relation to a relevant contract, have the same meanings respectively as in section 6A of the Health Insurance Act 1994;

'first accounting period' means the period commencing on 1 January 2013 and ending on 30 March 2013;

'subsequent accounting period' means the period commencing on 31 March 2013 and ending on 30 June 2013 and each subsequent period of 3 months commencing on 1 July, 1 October, 1 January and 1 April in any year;'',

(*e*) in subsection (2) by substituting—

(i) ''the first accounting period'' for ''each accounting period'', and

(ii) ''that accounting period'' for ''the accounting period concerned'',

(*f*) by inserting the following after subsection (2):

''(2A) Subject to subsections (7), (10) and (11), an authorised insurer shall, in respect of each subsequent accounting period and not later than the due date, deliver to the Commissioners a statement in writing showing the number of insured persons—

(*a*) aged less than 18 years on the first day of the accounting period insured under a relevant contract which provides for non-advanced cover,

(*b*) aged less than 18 years on the first day of the accounting period insured under a relevant contract which provides for advanced cover,

(*c*) aged 18 years or over on the first day of the accounting period insured under a relevant contract which provides for non-advanced cover, and

(*d*) aged 18 years or over on the first day of the accounting period insured under a relevant contract which provides for advanced cover,

in respect of whom a relevant contract between the authorised insurer and the insured person, being the individual referred to in the definition of 'insured person', is renewed, or entered into, during the accounting period concerned.'',

(*g*) in subsections (3), (4), (6), (7), (8), (10), (11) and (12) by substituting ''subsection (2) or (2A)'' for ''subsection (2)'' in each place, and

(*h*) in subsection (12) by substituting the following for paragraphs (i) and (ii):

''(i) the accounting period in which the second 12 months, or lesser period, of the relevant contract commences, and

(ii) each further accounting period in which any subsequent 12 months, or lesser period, of the relevant contract commences.''.

PART 5

Capital Acquisitions Tax

Interpretation (*Part 5*).

81.—In this Part ''Principal Act'' means the Capital Acquisitions Tax Consolidation Act 2003.

Amendment of Schedule 2 (computation of tax) to Principal Act.

82.—(1) The Principal Act is amended—

(*a*) in paragraph 1 of Part 1 of Schedule 2 in the definition of ''group threshold''—

(i) in subparagraph (*a*) by substituting ''€225,000'' for ''€250,000'',

(ii) in subparagraph (*b*) by substituting ''€30,150'' for ''€33,500'', and

(iii) in subparagraph (*c*) by substituting ''€15,075'' for ''€16,750'',

and

(*b*) in the Table in Part 2 of Schedule 2 by substituting ''33'' for ''30''.

(2) This section applies to gifts and inheritances taken on or after 6 December 2012.

Amendment of section 51 (payment of tax and interest on tax) of Principal Act.

83.—(1) Section 51 of the Principal Act is amended—

(*a*) by inserting the following after subsection (1):

''(1A) (*a*) Simple interest is payable, without deduction of income tax, on the tax arising by reason of section 15(1) or 20(1) from the valuation date to the date of payment of that tax, and the amount of that interest

shall be determined in accordance with paragraph (*c*) of subsection (2).

(*b*) Interest payable in accordance with paragraph (*a*) is chargeable and recoverable in the same manner as if it were part of the tax.'',

and

(*b*) in subsection (2)(*c*)(ii) by substituting ''paragraph (*a*) of this subsection and paragraph (*a*) of subsection (1A)'' for ''paragraph (*a*)''.

(2) This section applies to inheritances taken by a discretionary trust (within the meaning of the Principal Act) by virtue of section 15(1) or 20(1) of the Principal Act on or after the passing of this Act.

Amendment of section 57 (overpayment of tax) of Principal Act.

84.—(1) Section 57 of the Principal Act is amended—

(*a*) in subsection (1) by substituting the following for the definition of ''tax'':

'' 'tax' includes probate tax, payment on account of tax, interest charged, a surcharge imposed or a penalty incurred under any provision of this Act.'',

and

(*b*) by substituting the following for subsection (3):

''(3) Notwithstanding subsection (2), no tax shall be repaid to an accountable person in respect of a valid claim unless that valid claim is made within the period of 4 years commencing on—

(*a*) 31 October in the year in which that tax was due to be paid in accordance with section 46(2A), or

(*b*) the valuation date or the date of the payment of the tax concerned (where the tax has been paid within 4 months of the valuation date) in respect of inheritances to which sections 15(1) and 20(1) apply.''.

(2) This section shall apply as respects any claim for repayment (within the meaning of the Principal Act) made on or after the passing of this Act.

Amendment of section 74 (exemption of certain policies of assurance) of Principal Act.

85.—Section 74 of the Principal Act is amended in subsection (1) by substituting the following for the definition of ''new policy'':

'' 'new policy' means—

(*a*) a policy of assurance on the life of any person issued, or

(*b*) a contract within the meaning of Article 2(2)(*b*) of Directive 2002/83/EC of the European Parliament

and of the Council of 5 November 2002[1] entered into,

on or after 1 January 2001 by an assurance company in the course of carrying on the business of life assurance;''.

Amendment of section 75 (exemption of certain investment entities) of Principal Act.

86.—(1) Section 75 of the Principal Act is amended—

(*a*) in subsection (1) by inserting the following definitions:

'' 'investment limited partnership' has the meaning assigned to it by section 739J of the Taxes Consolidation Act 1997;

'unit', in relation to an investment limited partnership, has the meaning assigned to it by section 739J of the Taxes Consolidation Act 1997;'',

and

(*b*) in subsection (2) by substituting ''a common contractual fund, an investment limited partnership or an investment undertaking'' for ''a common contractual fund or an investment undertaking''.

(2) This section applies to gifts and inheritances (both within the meaning of the Principal Act) taken on or after the passing of this Act.

Amendment of section 85 (exemption relating to retirement benefits) of Principal Act.

87.—(1) Section 85 of the Principal Act is amended by substituting the following for subsection (1):

''(1) In this section 'retirement fund', in relation to an inheritance taken on death of a disponer, means—

(*a*) an approved retirement fund or an approved minimum retirement fund, within the meaning of section 784A or 784C of the Taxes Consolidation Act 1997, or

(*b*) a Personal Retirement Savings Account, within the meaning of section 787A of the Taxes Consolidation Act 1997, where assets of the Personal Retirement Savings Account are treated under section 787G(4) of that Act as having been made available to an individual,

being a fund which is wholly comprised of all or any of the following, that is—

(i) property which represents in whole or in part the accrued rights of the disponer, or of a predeceased spouse or civil partner of the disponer, under—

(I) an annuity contract or retirement benefits scheme approved by the Commissioners for the purposes of Chapter 1 or Chapter 2 of Part 30 of the Taxes Consolidation Act 1997, or

[1]OJ No. L345, 19.12.2002, p.1

(II) a Personal Retirement Savings Account being a PRSA product approved by the Commissioners for the purposes of Chapter 2A of Part 30 of the Taxes Consolidation Act 1997,

(ii) any accumulations of income of such property, or

(iii) property which represents in whole or in part these accumulations.''.

(2) This section applies to inheritances (within the meaning of the Principal Act) taken on or after the passing of this Act.

PART 6

Miscellaneous

Interpretation (*Part 6*).

88.—In this Part ''Principal Act'' means the Taxes Consolidation Act 1997.

Assessing rules for direct taxes.

89.—(1) The Principal Act is amended in the manner and to the extent specified in *Schedule 1*.

(2) This section applies—

(*a*) in the case of a chargeable period (within the meaning of section 321(2) of the Principal Act) which is an accounting period of a company, as respects chargeable periods that start on or after 1 January 2013, and

(*b*) in a case other than that referred to in *paragraph (a)*, as respects the year of assessment (within the meaning of section 2(1) of the Principal Act) 2013 and subsequent years of assessment.

Professional services withholding tax.

90.—(1) Chapter 1 of Part 18 of the Principal Act is amended—

(*a*) in section 520(1) by inserting the following definitions:

'' 'partnership trade or profession' means a trade or profession carried on by two or more persons in partnership;

'precedent partner', in relation to a partnership and a partnership trade or profession, has the same meaning as in section 1007;'',

(*b*) in section 520(1) by substituting the following for the definition of ''specified person'':

'' 'specified person', in relation to a relevant payment, means the person to whom that payment is made but, in a case where the relevant payment (including a payment to which section 522 applies) is in relation to a professional service that is provided in the conduct of a partnership trade or profession, means each person who is a partner in the partnership;'',

(*c*) in section 522(*a*) by substituting ''the insurer shall, subject to section 529A, discharge'' for ''the insurer shall discharge'',

(*d*) in section 523(1)(*b*) by substituting ''The specified person or, where section 529A applies, the partnership'' for ''The specified person'',

(*e*) in section 523(2) by substituting the following for paragraph (*a*):

''(*a*) in accordance with section 522 or 529A, a relevant payment has been made to a practitioner or, as the case may be, a partnership by an authorised insurer, and'',

(*f*) in section 523(2) by substituting ''the practitioner or, as the case may be, the partnership'' for ''the practitioner'' in each place,

(*g*) in section 524(1) by substituting ''Subject to subsection (1A), the provisions'' for ''The provisions'',

(*h*) in section 524 by inserting the following after subsection (1):

''(1A) (*a*) Where a relevant payment (including a payment to which section 522 applies) is made in accordance with section 529A(1), the precedent partner shall furnish the tax number of the partnership to the accountable person.

(*b*) For the purposes of paragraph (*a*), 'tax number' in relation to a partnership means—

(i) the registration number allocated by an inspector in relation to the operation by the partnership of value added tax, or any other tax, or the reference number stated on any return, form or notice issued by an inspector in relation to the partnership, or

(ii) where appropriate, the tax reference of the partnership in another country.'',

(*i*) in section 524(2)—

(i) by inserting ''or, as the case may be, the precedent partner has complied with subsection (1A),'' after ''subsection (1),'',

(ii) in paragraph (*a*) by inserting ''or, as the case may be, of the partnership'' after ''specified person'', and

(iii) in paragraph (*b*) by inserting ''or, as the case may be, the partnership's tax number as furnished in accordance with subsection (1A),'' after ''subsection (1)'',

(*j*) in section 524 by inserting the following after subsection (2):

''(3) For the purposes of this section, an accountable person may—

(*a*) require a specified person or, as the case may be, a precedent partner to provide evidence from the Revenue Commissioners that the income tax or corporation tax number of the specified

person or, as the case may be, the tax number (referred to in subsection (1A)(*b*)(i)) of the partnership, that is provided to the accountable person, relates to that specified person or, as the case may be, that partnership, or

(*b*) request confirmation from the Revenue Commissioners as to whether the income tax or corporation tax number that is provided to the accountable person by a specified person or, as the case may be, the tax number (referred to in subsection (1A)(*b*)(i)) of a partnership that is provided by a precedent partner, relates to that specified person or, as the case may be, that partnership.'',

(*k*) in section 525(2) by inserting ''or, where section 529A applies, each partnership'' after ''each specified person'',

(*l*) in section 526 by substituting the following for subsection (3):

''(3) The specified person shall, where requested by the appropriate inspector, furnish the following in respect of each amount of appropriate tax included in a claim under subsection (1) or (2)—

(*a*) the form given to the specified person by an accountable person in accordance with section 524(2), or

(*b*) in the case of a specified person who is a partner in relation to a partnership trade or profession, the documentation referred to in section 529A(3).'',

(*m*) in section 526(4) by substituting ''which is included in relation to the specified person in the forms or, as the case may be, the documentation referred to in subsection (3)'' for ''which is included in the forms furnished in accordance with subsection (3)'',

(*n*) in section 526 by inserting the following after subsection (4):

''(5) References in this section to corporation tax chargeable and to income tax chargeable shall be construed in accordance with the definition of 'amount of tax chargeable' in section 959A.'',

(*o*) in section 527(1) by substituting ''make an offset or interim refund'' for ''make such refund'' in each place,

(*p*) in section 527(2)(*b*) by deleting ''(whether by credit for appropriate tax or otherwise)'',

(*q*) in section 527(2)(*c*) by inserting ''or, in the case of a specified person who is a partner in relation to a partnership trade or profession, the documentation referred to in section 529A(3)'' after ''section 524(2)'',

(*r*) in section 527 by substituting the following for subsection (3):

''(3) (*a*) The amount of the tax available for offset or interim refund shall be the excess of the total of the appropriate tax not already repaid under the provisions of this section, which is included in relation to the specified person in the forms or, as the case may be, the documentation referred to in subsection (2)(*c*), over an amount equivalent to the amount of tax referred to in subsection (2)(*b*).

(*b*) Where an excess arises in accordance with paragraph (*a*), the excess shall be offset under section 960H to the extent that the specified person has a liability (within the meaning of that section) and any balance of the excess shall, subject to the Acts, be refunded to the specified person.'',

(*s*) in section 527(4)(*a*) by substituting ''make an offset or interim refund'' for ''make an interim refund'',

(*t*) in section 527(4)(*b*) by substituting ''the offset or interim refund'' for ''the interim refund'',

(*u*) in section 527(4)(*b*) by substituting the following for subparagraph (ii):

''(ii) the amount of appropriate tax deducted from relevant payments in relation to the specified person in respect of which forms or, as the case may be, the documentation have been furnished in accordance with subsection (2)(*c*) after deducting from that amount any amount of such tax already offset or refunded in relation to the period for which the claim to a refund is made.'',

(*v*) in section 527(4)(*c*) by substituting ''offset or refund'' for ''refund'',

(*w*) in section 527 by substituting the following for subsection (5):

''(5) Where the specified person claims and proves the presence of particular hardship, the Revenue Commissioners may waive, in whole or in part, one or more than one of the conditions for the making of an offset or refund specified in this section and, where they so waive such a condition or conditions, they shall determine, having regard to all the circumstances and taking into account the objects and intentions of subsections (1) to (4), an amount of an offset or refund or a further offset or refund which they consider to be just and reasonable and they shall make such offset or refund or, as the case may be, such further offset or refund accordingly.'',

(*x*) in section 529 by substituting ''under section 960H'' for ''under section 526'', and

(*y*) by inserting the following after section 529:

"Partnerships. 529A.—(1) Subject to the provisions of this section, where a professional service is provided in the conduct of a partnership trade or profession then, for the purposes of this Chapter, an accountable person may make a relevant payment (including a payment to which section 522 applies) in relation to that service in the name of the partnership.

(2) Where a relevant payment (including a payment to which section 522 applies) is in relation to a professional service that is provided in the conduct of a partnership trade or profession, then for the purposes of sections 520(2), 526 and 527—

(*a*) the relevant payment shall be deemed to have been made to each person who is a partner in the partnership in the proportion in which profits or gains of the partnership trade or profession for the chargeable period involved are to be apportioned amongst the partners, and

(*b*) appropriate tax deducted from the relevant payment shall be apportioned solely between the partners and in the same proportion referred to in paragraph (*a*).

(3) Where an apportionment as referred to in subsection (2) applies to a relevant payment and to the appropriate tax deducted from that payment, the precedent partner shall, for the purposes of sections 526 and 527, provide details of the apportionment that applies to the payment and the appropriate tax deducted, and the basis for that apportionment, in a statement issued to each partner in the partnership, together with a copy of the form given to the precedent partner by the accountable person in accordance with section 524(2).

(4) The statement referred to in subsection (3) may be issued in writing or by electronic means (within the meaning of section 917EA) and shall be in such form as may be approved by the Revenue Commissioners for that purpose.".

(2) Schedule 13 to the Principal Act is amended—

(*a*) by deleting paragraphs 131, 133, 163, 165 and 166, and

(*b*) by inserting the following after paragraph 188:

"189. Qualifications and Quality Assurance Authority of Ireland.

190. Nursing and Midwifery Board of Ireland.

191. Garda Síochána Ombudsman Commission.''.

(3) (*a*) Subject to *paragraph (b)*, this section applies from the date of the passing of this Act.

(*b*) *Paragraph (b)* of *subsection (2)* applies as and from 1 May 2013.

Tax clearance certificates.

91.—The Principal Act is amended—

(*a*) in section 1094(1), in the definition of ''the Acts'', by inserting the following after paragraph (*e*):

''(*f*) the statutes relating to stamp duty and to the management of that duty,

(*g*) the Capital Acquisitions Tax Consolidation Act 2003, and the enactments amending or extending that Act,'',

and

(*b*) in section 1095(1), in the definition of ''the Acts'', by inserting the following after paragraph (*f*):

''(*g*) the statutes relating to stamp duty and to the management of that duty,

(*h*) the Capital Acquisitions Tax Consolidation Act 2003, and the enactments amending or extending that Act,''.

Returns of income, partnership returns and returns of profits: accounts information requirements.

92.—The Principal Act is amended—

(*a*) in section 879(2)(*c*) by substituting ''such information, accounts, statements, and'' for ''such'',

(*b*) in section 880(2)(*c*) by substituting ''such information, accounts, statements, and'' for ''such'', and

(*c*) in section 884 by inserting the following after subsection (2A):

''(2B) In the case of a company which—

(*a*) is not resident in the State,

(*b*) carries on a trade in the State through a branch or agency, and

(*c*) is required to deliver a return under this section for a period,

the authority to require the delivery of accounts as part of the return is limited to such accounts, prepared in respect of the branch, agency or company concerned, as, together with such documents as may be annexed to those accounts, contain sufficient information to enable

the chargeable profits, within the meaning of section 25(2), of the company to be determined.''.

Amendment of section 960E (collection of tax, issue of demands, etc.) of Principal Act.

93.—Section 960E of the Principal Act is amended by inserting the following after subsection (2):

''(2A) (*a*) In this subsection 'approved person' shall be construed in accordance with section 917G.

(*b*) Without prejudice to the generality of subsection (2), the Collector-General may issue a demand by electronic means (within the meaning of section 917EA) to an approved person or to a person who is required to deliver a return and pay tax in accordance with regulations made by the Revenue Commissioners under section 917EA.''.

Amendment of Part 33 (anti-avoidance) of Principal Act.

94.—(1) Part 33 of the Principal Act is amended—

(*a*) in section 811(1)(*a*) in the definition of ''the Acts'' by deleting subparagraph (v) and substituting ''stamp duty, and'' for ''stamp duty,'' in subparagraph (vi) and by inserting the following after subparagraph (vi):

''(vii) Part 18D,'',

(*b*) in section 811A—

(i) by deleting subsection (1C), and

(ii) in subsection (3)(*b*)(i) by deleting ''the application of subsection (1C) to the transaction concerned or'',

and

(*c*) in section 817D(1) in the definition of ''the Acts'' by deleting paragraph (*c*) and substituting ''those duties, and'' for ''those duties,'' in paragraph (*g*) and by inserting the following after paragraph (*g*):

''(*h*) Part 18D,''.

(2) (*a*) *Paragraph (a)* of *subsection (1)* applies to any transaction (within the meaning of section 811(1)(*a*) of the Principal Act) undertaken or arranged on or after 13 February 2013.

(*b*) *Paragraph (b)* of *subsection (1)* applies as respects any transaction (within the meaning aforesaid)—

(i) where the whole or any part of the transaction is undertaken or arranged on or after 19 February 2008, or

(ii) the whole of which is undertaken or arranged before that date, in so far as it gives rise to, or would but for section 811 of the Principal Act give rise to—

(I) a reduction, avoidance, or deferral of any charge or assessment to tax, or part thereof, where the

charge or assessment arises only by virtue of another transaction or other transactions carried out wholly on or after 19 February 2008, or

(II) a refund or payment of an amount, or of an increase in an amount of tax, or part thereof, refundable or otherwise payable to a person where, but for section 811 of the Principal Act, that amount or increase in the amount would become first so refundable or otherwise payable to the person on or after 19 February 2008.

(*c*) (i) In this paragraph ''disclosable transaction'', ''promoter'' and ''relevant date'' have the same meaning as in Chapter 3 of Part 33 of the Principal Act.

(ii) *Paragraph (c)* of *subsection (1)* applies to—

(I) a promoter, in the case of any disclosable transaction in respect of which the relevant date falls on or after 13 February 2013, and

(II) a person referred to in section 817F, 817G or 817H(1) of the Principal Act who enters into any transaction forming part of a disclosable transaction where the whole of the disclosable transaction is undertaken on or after 13 February 2013.

Amendment of section 886 (obligation to keep certain records) of Principal Act.

95.—Section 886 of the Principal Act is amended in subsection (4) by deleting paragraph (*b*).

Provisions relating to exchanging information with tax authorities in certain other territories.

96.—(1) For the purposes of assisting the prevention and detection of tax evasion, by means of the exchange of information between the Revenue Commissioners and the tax authorities of certain other territories, the Principal Act is amended—

(*a*) in section 826(7) by inserting ''or any Protocol to the Convention'' after ''the Convention'' in each place,

(*b*) in section 912A(1) by substituting the following for the definition of ''foreign tax'':

'' 'foreign tax' means a tax chargeable under the laws of a territory in relation to which—

(*a*) arrangements (in this section referred to as 'the arrangements') having the force of law by virtue of section 826 or 898P of this Act or section 106 of the Capital Acquisitions Tax Consolidation Act 2003 apply, or

(*b*) the Convention on Mutual Administrative Assistance in Tax Matters which was done at Strasbourg on 25 January 1988, or any Protocol to the Convention (such Convention or Protocol, as the case may be, referred to in this section as 'the Convention'), having the force of law by virtue of section 826, applies;'',

and

(*c*) in section 912A(2) by substituting ''in the arrangements or in the Convention'' for ''in the arrangements''.

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

Personal Insolvency Act 2012: consequential amendments relating to tax.

97.—(1) The Taxes Consolidation Act 1997 is amended—

(*a*) in section 71 by inserting the following after subsection (4A):

''(4B) Income arising to a person from property situated outside the State which, if it had arisen from property in the State, would be chargeable under Case V of Schedule D shall include income from any such property outside the State transferred by that person to another person to hold in trust pursuant to the terms of a Debt Settlement Arrangement or a Personal Insolvency Arrangement entered into under the Personal Insolvency Act 2012.'',

(*b*) in section 96(1) by substituting the following for the definition of ''the person chargeable'':

'' 'the person chargeable' means the person entitled to the profits or gains arising from—

(*a*) any rent in respect of any premises, and

(*b*) any receipts in respect of any easement,

and for the purposes of this definition a debtor, within the meaning of section 2 of the Personal Insolvency Act 2012, who transfers property to a person to hold in trust pursuant to the terms of a Debt Settlement Arrangement or a Personal Insolvency Arrangement entered into under that Act, shall be treated as remaining entitled to such profits or gains arising during the period in which the property is held in trust by that person;'',

(*c*) in section 311 by inserting the following after subsection (3):

''(3A) For the purposes of subsection (3), any transfer of property by a person to another person, pursuant to a Debt Settlement Arrangement or a Personal Insolvency Arrangement entered into under the Personal Insolvency Act 2012, whereby such property is held in trust for the creditors of the person making the transfer shall not, where that property is an industrial building or structure (within the meaning of section 268), be treated as an exchange of property.'',

(*d*) in section 372AP by inserting the following after subsection (7):

''(7A) For the purposes of subsection (7), any transfer of property by a person to another person, pursuant to a Debt Settlement Arrangement or a Personal Insolvency Arrangement entered into under the Personal Insolvency Act 2012, whereby such property is held in trust for the

creditors of the person making the transfer shall not, where that property is a house which is a qualifying premises or a special qualifying premises, be treated as the passing of the ownership of the lessor's interest in that property to another person.'',

and

(*e*) by substituting the following for section 569:

''569.—(1) In this section—

'deed of arrangement' means a deed of arrangement to which the Deeds of Arrangement Act 1887 applies;

'insolvent person' means an individual who is insolvent and who has entered into a Debt Settlement Arrangement or a Personal Insolvency Arrangement (both within the meaning of section 2 of the Personal Insolvency Act 2012) with his or her creditors;

'relevant person' means a personal insolvency practitioner (within the meaning of the Personal Insolvency Act 2012) who holds the assets of an insolvent person in trust for the benefit of creditors of that insolvent person under a Debt Settlement Arrangement or a Personal Insolvency Arrangement (both within the meaning aforesaid).

(2) In relation to assets held by a person as trustee or assignee in bankruptcy or under a deed of arrangement or by a relevant person, the Capital Gains Tax Acts shall apply as if the assets were vested in, and the acts of the trustee, assignee or relevant person in relation to the assets were the acts of, the bankrupt, debtor or insolvent person (acquisitions from or disposals to such person by the bankrupt, debtor or insolvent person being disregarded accordingly), and tax in respect of any chargeable gains which accrue to any such trustee, assignee or relevant person shall be assessable on and recoverable from such trustee, assignee or relevant person.

(3) Assets held by a trustee or assignee in bankruptcy or under a deed of arrangement or by a relevant person at the death of the bankrupt, debtor or insolvent person shall for the purposes of the Capital Gains Tax Acts be regarded as held by a personal representative of the deceased, and—

(*a*) subsection (2) shall not apply after the death, and

(*b*) section 573(2) shall apply as if any assets held by a trustee or assignee in bankruptcy or under a deed of arrangement or by a relevant person at the death of the bankrupt, debtor or insolvent person were assets of which the deceased was competent to dispose and which then devolved on the trustee or assignee in bankruptcy or the relevant person as if the trustee or assignee in bankruptcy or the relevant person were a personal representative.

(4) Assets vesting in a trustee in bankruptcy or a relevant person after the death of the bankrupt, debtor or insolvent person shall for the purposes of the Capital Gains Tax Acts be regarded as held by a personal representative of the deceased, and subsection (2) shall not apply.''.

(2) The Capital Acquisitions Tax Consolidation Act 2003 is amended in section 82(1) by inserting the following after paragraph (*ca*):

''(*cb*) any benefit arising out of the discharge of a debt under a Debt Relief Notice (within the meaning of section 25 of the Personal Insolvency Act 2012) or arising out of the discharge or reduction in the amount of a debt under a Debt Settlement Arrangement or a Personal Insolvency Arrangement (both within the meaning of section 2 of that Act) other than by reason of payment of that debt;''.

(3) The Personal Insolvency Act 2012 is amended—

(*a*) in section 65(2)(*e*) by inserting the following after subparagraph (i):

''(i*a*) make provision for the payment of all tax liabilities incurred by the debtor, or by the personal insolvency practitioner, under the Taxes Consolidation Act 1997 during the administration of the Arrangement and—

(I) such tax liabilities of the personal insolvency practitioner shall be payable in priority to any payments to creditors, and

(II) any failure by the debtor to comply with the terms of the provision shall be a breach of the Arrangement such that the Collector-General (within the meaning of the Taxes Consolidation Act 1997) may withdraw his or her agreement under section 58 to accept the compromise contained in the Arrangement,'',

and

(*b*) in section 99(2)(*f*) by inserting the following after subparagraph (i):

''(i*a*) make provision for the payment of all tax liabilities incurred by the debtor, or by the personal insolvency practitioner, under the Taxes Consolidation Act 1997 during the administration of the Arrangement and—

(I) such tax liabilities of the personal insolvency practitioner shall be payable in priority to any payments to creditors, and

(II) any failure by the debtor to comply with the terms of the provision shall be a breach of the Arrangement such that the Collector-General (within the meaning

of the Taxes Consolidation Act 1997) may withdraw his or her agreement under section 92 to accept the compromise contained in the Arrangement,''.

(4) (*a*) *Paragraphs (a), (b), (c)* and *(d)* of *subsection (1)* and *subsection (3)* apply on and from the date of the passing of this Act.

(*b*) *Paragraph (e)* of *subsection (1)* applies to disposals made on or after the date of the passing of this Act.

(*c*) *Subsection (2)* applies to gifts and inheritances (both within the meaning of the Capital Acquisitions Tax Consolidation Act 2003) taken on or after the date passing of this Act.

Amendment of section 911 (valuation of assets) of Principal Act.

98.—The Taxes Consolidation Act 1997 is amended by substituting the following for section 911:

''Valuation of assets.

911.—(1) In this section—

'the Acts' has the same meaning as in section 1078;

'authorised person' means—

(*a*) an inspector or other Revenue officer mentioned in Part 41A, or

(*b*) a person, suitably qualified for the purposes of ascertaining the value of an asset, authorised in writing by the Revenue Commissioners;

'value', in relation to any asset, means market value, current use value or such other value as the context requires for the purposes of the Acts.

(2) For the purposes of the Acts, an authorised person may inspect any asset (and where the asset is land enter on the land) for the purpose of ascertaining its value and reporting that value to the Revenue Commissioners, and the person having the custody or possession of that asset (or being the occupier in the case of premises) shall permit the authorised person, on producing if so requested evidence of his or her authorisation, to inspect the asset (and where the asset is land to enter on it) at such reasonable times as the Revenue Commissioners may consider necessary.

(3) (*a*) Notwithstanding subsection (2) an authorised person shall not, without the consent of the occupier, enter any premises, or that portion of any premises, which is occupied wholly and exclusively as a private residence, except on production by the authorised person of a warrant issued by a Judge of the District Court expressly authorising the authorised person to so enter.

(*b*) A Judge of the District Court may issue a warrant under paragraph (*a*) if satisfied by information on oath that it is proper to do so for the purposes of the Acts.

(4) Where the Revenue Commissioners require a valuation to be made by an authorised person, the costs of such valuation shall be defrayed by the Revenue Commissioners.''.

Amendment of section 851A (confidentiality of taxpayer information) of Principal Act.

99.—Section 851A of the Principal Act is amended—

(*a*) in subsection (3) by inserting ''or any person to whom taxpayer information is disclosed'' after ''Revenue officer'', and

(*b*) in subsection (8) by deleting ''and'' in paragraph (*i*) and substituting ''enactment, and'' for ''enactment.'' in paragraph (*j*) and by inserting the following after paragraph (*j*):

''(*k*) where a person is engaged by or on behalf of the Revenue Commissioners for the purposes of carrying out work relating to the administration of any taxes or duties under the care and management of the Revenue Commissioners by virtue of the Acts, taxpayer information may be disclosed to the person for those purposes, and that information shall not be used by that person for any other purpose.''.

Miscellaneous amendments: civil partners.

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

(*a*) in section 1031J by inserting the following after subsection (1):

''(1A) In this section a reference to a child of a civil partner includes a child in respect of whom the civil partner was at any time before the making of the maintenance arrangement concerned entitled to relief under section 465.'',

(*b*) in section 1031J(2)(*a*) by inserting the following after ''maintenance arrangement'':

''relating to the civil partnership for the benefit of his or her child, or for the benefit of the other civil partner being payments—

(i) which are made at a time when one civil partner is not living with the other,

(ii) the making of which is legally enforceable, and

(iii) which are annual or otherwise periodical'',

(*c*) in section 1031J(2) by substituting the following for paragraph (*b*):

''(*b*) For the purposes of this section and section 1031K, but subject to paragraph (*c*), a payment, whether conditional or not, which is made directly or indirectly by a civil partner or former civil partner under or pursuant to a maintenance arrangement relating to the civil partnership concerned (other than a payment of which the amount, or the method of calculating the amount, is specified in the maintenance arrangement and from which, or from the consideration for which, neither a child of the civil partner making the payment nor the other civil partner derives any benefit) shall be deemed to be made for the benefit of his or her civil partner or former civil partner.'',

(*d*) in section 1031J(2) by inserting the following after paragraph (*b*):

''(*c*) Where the payment, in accordance with the maintenance arrangement, is made or directed to be made for the use and benefit of a child of the civil partner making the payment, or for the maintenance, support, education or other benefit of such a child, or in trust for such a child, and the amount or the method of calculating the amount of such payment so made or directed to be made is specified in the maintenance arrangement, that payment shall be deemed to be made for the benefit of such child, and not for the benefit of any other person.'',

(*e*) in section 1031J by inserting the following after subsection (3):

''(3A) Notwithstanding anything in the Income Tax Acts, as respects any payment to which this section applies made directly or indirectly by a civil partner to which the maintenance arrangement concerned relates for the benefit of his or her child—

(*a*) the person making the payment shall not be entitled on making the payment to deduct and retain out of the payment any sum representing any amount of income tax on the payment,

(*b*) the payment shall be deemed for the purposes of the Income Tax Acts not to be income of the child,

(*c*) the total income for any year of assessment of the civil partner who makes the payment shall be computed for the purposes of the Income Tax Acts as if the payment had not been made, and

(*d*) for the purposes of section 465(6), the payment shall be deemed to be an amount expended on the maintenance of the child by the civil partner who makes the payment and, notwithstanding that the payment is made to the

other civil partner to be applied for or towards the maintenance of the child and is so applied, it shall be deemed for the purposes of that section not to be an amount expended by that other civil partner on the maintenance of the child.'',

and

(*f*) in section 1031O by substituting the following for subsection (1):

''(1) Notwithstanding any other provision of the Capital Gains Tax Acts, where by virtue or in consequence of—

(*a*) an order made under Part 12 of the Civil Partnership and Certain Rights and Obligations of Cohabitants Act 2010, on or following the granting of a decree of dissolution or a dissolution deemed under section 5(4) of that Act to be a dissolution under section 110 of that Act, or

(*b*) a deed of separation, agreement, arrangement or any other act giving rise to a legally enforceable obligation and made or done in consideration or in consequence of living separately in the circumstances referred to in section 1031A(2),

either of the civil partners concerned disposes of an asset to the other civil partner, then, subject to subsection (3), both civil partners shall be treated for the purposes of the Capital Gains Tax Acts as if the asset was acquired from the civil partner making the disposal for a consideration of such amount as would secure that on the disposal neither a gain nor a loss would accrue to the civil partner making the disposal.''.

(2) The Capital Acquisitions Tax Consolidation Act 2003 is amended—

(*a*) in section 5(4) by substituting the following for ''under which a relative of the person, the civil partner of the person, or a child of the civil partner of the person, becomes'':

''under which—

(*a*) a relative of the person,

(*b*) the civil partner of the person,

(*c*) a child of the civil partner of the person,

(*d*) any child of a child of the civil partner of the person,

(*e*) the civil partner of a person who is by virtue of section 2(4)(*b*) or (*c*) a relative of the person, or

(*f*) the civil partner of a child or the child of a child of the civil partner of a person,

becomes'',

(*b*) in section 27(1) by substituting the following for the definition of ''group of shares'':

'' 'group of shares', in relation to a private company, means the aggregate of the shares in the company of—

(*a*) the donee or successor,

(*b*) the relatives, civil partner, children, or children of the children of the civil partner, of the donee or successor,

(*c*) the civil partners of persons who are by virtue of section 2(4)(*b*) or (*c*) relatives of the donee or successor,

(*d*) the civil partners of any children or any children of the children of the civil partner of the donee or successor,

(*e*) nominees of the donee or successor,

(*f*) nominees of—

(i) relatives of the donee or successor,

(ii) the civil partner of the donee or successor,

(iii) children or children of the children of the civil partner of the donee or successor,

(iv) the civil partners of persons who are by virtue of section 2(4)(*b*) or (*c*) relatives of the donee or successor, or

(v) the civil partners of any children or any children of the children of the civil partner of the donee or successor,

and

(*g*) the trustees of a settlement whose objects include—

(i) the donee or successor,

(ii) relatives of the donee or successor,

(iii) the civil partner of the donee or successor,

(iv) the children or children of the children of the civil partner of the donee or successor,

(v) the civil partners of persons who are by virtue of section 2(4)(*b*) or (*c*) relatives of the donee or successor, or

(vi) the civil partners of any children or any children of the children of the civil partner of the donee or successor;'',

(*c*) in section 27(2)(*b*)(i) by substituting the following for clause (III):

''(III) the—

(A) relatives, civil partner, children or children of the children of the civil partner,

(B) civil partners of persons who are by virtue of section 2(4)(*b*) or (*c*) relatives, or

(C) civil partners of the children or the children of the children of the civil partner,

of the donee or successor;'',

(*d*) in section 27(2)(*b*)(i) by substituting the following for clause (V):

''(V) any nominees of—

(A) the relatives, the civil partner, children or children of the children of the civil partner,

(B) the civil partners of persons who are by virtue of section 2(4)(b) or (c) relatives, or

(C) the civil partners of the children or the children of the children of the civil partner,

of the donee or successor;'',

(*e*) in section 27(2)(*b*)(i)(VI) by substituting the following for subclause (B):

''(B) any—

(ai) relatives, civil partner, children or children of the children of the civil partner,

(aii) civil partners of persons who are by virtue of section 2(4)(*b*) or (*c*) relatives, or

(aiii) civil partners of children or children of the children of the civil partner,

of the donee or successor,'',

(*f*) in section 27(3) by substituting the following for paragraph (*b*):

''(*b*) the—

(i) relatives, civil partner, children or children of the children of the civil partner,

(ii) civil partners of persons who are by virtue of section 2(4)(*b*) or (*c*) relatives, or

(iii) civil partners of the children or the children of the children of the civil partner,

of the donee or successor;'',

(*g*) in section 27(3) by substituting the following for paragraph (*d*):

''(*d*) nominees of—

(i) the relatives, the civil partner, children or children of the children of the civil partner,

(ii) the civil partners of persons who are by virtue of section 2(4)(*b*) or (*c*) relatives, or

(iii) the civil partners of the children or the children of the children of the civil partner,

of the donee or successor;'',

(*h*) in section 27(3)(*e*) by substituting the following for subparagraph (ii):

''(ii) the—

(I) relatives, the civil partner, children or children of the children of the civil partner,

(II) civil partners of persons who are by virtue of section 2(4)(*b*) or (*c*) relatives, or

(III) civil partners of the children or the children of the children of the civil partner,

of the donee or successor,'',

and

(*i*) in section 27(4)(*a*) by substituting the following for subparagraph (i):

''(i) persons who are—

(I) relatives of any other person,

(II) the civil partner of any other person,

(III) children or children of the children of the civil partner of any other person,

(IV) the civil partners of persons who are by virtue of section 2(4)(*b*) or (*c*) relatives of any other person, or

(V) the civil partners of the children or the children of the children of the civil partner of any other person,

together with that other person,''.

(3) (*a*) *Subsection (1)* shall have effect as if it had come into operation for the year of assessment (within the meaning of the Income Tax Acts and Capital Gains Tax Acts) 2011 and each subsequent year of assessment.

(*b*) *Subsection (2)* shall have effect as if it had come into operation as respects a gift (within the meaning of the Capital Acquisitions Tax Consolidation Act 2003) or an inheritance (within that meaning) taken on or after 1 January 2011.

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.

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

(*a*) in Part 1 by inserting the following after paragraph 10:

''10A. The Double Taxation Relief (Taxes on Income and Capital Gains) (Arab Republic of Egypt) Order 2013 (S.I. No. 27 of 2013).'',

(*b*) in Part 1 by inserting the following after paragraph 33:

''33A. The Double Taxation Relief (Taxes on Income and Capital Gains) (State of Qatar) Order 2013 (S.I. No. 28 of 2013).'',

(*c*) in Part 1 by substituting the following for paragraph 41:

''41. The Double Taxation Relief (Taxes on Income and Capital) (Swiss Confederation) Order 1967 (S.I. No. 240 of 1967), the Double Taxation Relief (Taxes on Income and Capital) (Swiss Confederation) Order 1984 (S.I. No. 76 of 1984) and the Double Taxation Relief (Taxes on Income and on Capital) (Swiss Confederation) Order 2013 (S.I. No. 30 of 2013).'',

(*d*) in Part 1 by inserting the following between paragraphs 43 and 43A:

''43AA. The Double Taxation Relief (Taxes on Income and on Property) (Republic of Uzbekistan) Order 2013 (S.I. No. 31 of 2013).'',

(*e*) in Part 3 by inserting the following after paragraph 8D:

''8E. The Exchange of Information Relating to Taxes (San Marino) Order 2013 (S.I. No. 29 of 2013).'',

(*f*) in Part 3 by inserting the following after paragraph 9:

''9A. The Agreement to Improve Tax Compliance and Provide for Reporting and Exchange of Information concerning Tax Matters (United States of America) Order 2013 (S.I. No. 33 of 2013).'',

and

(*g*) by inserting the following after Part 3:

''PART 4

ORDERS PURSUANT TO SECTION 826(1C) IN RELATION TO THE RECOVERY OF TAX AND IN RELATION TO OTHER MATTERS RELATING TO TAX

The Mutual Assistance in Tax Matters Order 2013 (S.I. No. 34 of 2013).''.

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

Miscellaneous technical amendments in relation to tax.

102.—The enactments specified in *Schedule 2*—

(*a*) are amended to the extent and in the manner specified in *paragraphs 1* to *4* of that Schedule, and

(*b*) apply and come into operation in accordance with *paragraph 5* of that Schedule.

Capital Services Redemption Account.

103.—(1) In this section—

''capital services'' has the same meaning as it has in the principal section;

''Capital Services Redemption Account'' has the same meaning as it has in the principal section;

''sixtieth additional annuity'' means the sum charged on the Central Fund under *subsection (3)*;

''principal section'' means section 22 of the Finance Act 1950.

(2) In relation to the 29 successive financial years commencing with the financial year ending on 31 December 2013, subsection (3) of section 139 of the Finance Act 2012 shall have effect with the substitution of ''€80,653,198'' for ''€118,068,355''.

(3) A sum of €1,561,234 to redeem borrowings in respect of capital services and interest on such borrowings shall be charged annually on the Central Fund or the growing produce of that Fund in the 30 successive financial years commencing with the financial year ending on 31 December 2013.

(4) The sixtieth additional annuity shall be paid into the Capital Services Redemption Account in such manner and at such times in the relevant financial year as the Minister for Finance may determine.

(5) Any amount of the sixtieth additional annuity, not exceeding €1,200,000 in any financial year, may be applied toward defraying the interest on the public debt.

(6) The balance of the sixtieth additional annuity shall be applied in any one or more of the ways specified in subsection (6) of the principal section.

Care and management of taxes and duties.

104.—All taxes and duties imposed by this Act are placed under the care and management of the Revenue Commissioners.

Short title, construction and commencement.

105.—(1) This Act may be cited as the Finance Act 2013.

(2) *Part 1* shall be construed together with—

(*a*) in so far as it relates to income tax, the Income Tax Acts,

(*b*) in so far as it relates to income levy, Part 18A of the Taxes Consolidation Act 1997,

(*c*) in so far as it relates to universal social charge, Part 18D of the Taxes Consolidation Act 1997,

(*d*) in so far as it relates to corporation tax, the Corporation Tax Acts, and

(*e*) in so far as it relates to capital gains tax, the Capital Gains Tax Acts.

(3) *Part 2*, in so far as it relates to duties of excise, shall be construed together with the statutes which relate to those duties and to the management of those duties.

(4) *Part 3* shall be construed together with the Value-Added Tax Acts.

(5) *Part 4* shall be construed together with the Stamp Duties Consolidation Act 1999 and the enactments amending or extending that Act.

(6) *Part 5* shall be construed together with the Capital Acquisitions Tax Consolidation Act 2003 and the enactments amending or extending that Act.

(7) *Part 6* in so far as it relates to—

(*a*) income tax, shall be construed together with the Income Tax Acts,

(*b*) income levy, shall be construed together with Part 18A of the Taxes Consolidation Act 1997,

(*c*) universal social charge, shall be construed together with Part 18D of the Taxes Consolidation Act 1997,

(*d*) corporation tax, shall be construed together with the Corporation Tax Acts,

(*e*) capital gains tax, shall be construed together with the Capital Gains Tax Acts,

(*f*) customs, shall be construed together with the Customs Acts,

(*g*) duties of excise, shall be construed together with the statutes which relate to duties of excise and the management of those duties,

(*h*) value-added tax, shall be construed together with the Value-Added Tax Acts,

(*i*) stamp duty, shall be construed together with the Stamp Duties Consolidation Act 1999 and the enactments amending or extending that Act, and

(*j*) gift tax or inheritance tax, shall be construed together with the Capital Acquisitions Tax Consolidation Act 2003 and the enactments amending or extending that Act.

(8) Except where otherwise expressly provided in *Part 1*, that Part is deemed to have come into force and takes effect on and from 1 January 2013.

(9) Except where otherwise expressly provided for, where a provision of this Act is to come into operation on the making of an order by the Minister for Finance, that provision shall come into operation on such day or days as the Minister for Finance shall appoint either generally or with reference to any particular purpose or provision and different days may be so appointed for different purposes or different provisions.

Section 89.

SCHEDULE 1

Amendment of Assessing Rules Including Rules for Self Assessment

PART 1

Amendment of Part 41A of the Taxes Consolidation Act 1997

Part 41A of the Taxes Consolidation Act 1997 is amended—

(*a*) in section 959A by substituting the following for the definition of ''amount of tax chargeable on a person'':

'' 'amount of tax chargeable', in relation to a person and an Act, means the amount of tax chargeable on the person under the Act after taking into account—

(*a*) each allowance, deduction or relief that is authorised by the Act to be given to the person against income, profits or gains or, as applicable, chargeable gains, and

(*b*) in the case of an individual to whom Chapter 2A of Part 15 applies, any increase in the taxable income of the individual by virtue of that Chapter;'',

(*b*) in section 959A by substituting the following for the definition of ''amount of tax payable by a person'':

'' 'amount of tax payable', in relation to a person and an Act, means the amount of tax payable by the person after reducing the amount of tax chargeable on the person under the Act by the amount of any tax credit that is authorised by the Act in relation to that person;'',

(*c*) in section 959A, in the definition of ''specified provisions'', by substituting ''and (*d*)'' for ''and (*b*)'',

(*d*) in section 959A by substituting the following for the definition of ''tax credit'':

'' 'tax credit', in relation to a person and an Act, means an amount authorised by the Act to be given or set against, or deducted from, the amount of tax chargeable on the person under the Act;'',

(*e*) in section 959B by inserting the following after subsection (3):

''(4) (*a*) References in this Part to tax payable, tax which would be payable or tax found to be payable shall be construed in accordance with the definition of 'amount of tax payable' in section 959A and any related references shall also be construed accordingly.

(*b*) Paragraph (*a*) shall apply regardless of the type of tax to which the reference applies.'',

(*f*) in section 959C(4)(*d*) by substituting the following for subparagraph (ii):

"(ii) is overpaid by the person for the period and which, subject to the Acts, is available for offset or repayment by the Revenue Commissioners.",

(*g*) in section 959E(4)(*d*) by substituting the following for subparagraph (ii):

"(ii) is overpaid by the person for the period and which, subject to the Acts, is available for offset or repayment by the Revenue Commissioners,",

(*h*) in section 959E(6)(*c*) by substituting "of each" for "of any",

(*i*) in section 959F by substituting the following for subsection (3):

"(3) Where it is proved to the satisfaction of the Revenue Commissioners that any double assessment has been made and that payment has been made on both assessments, they shall, subject to section 865B, offset the amount of the overpayment (in whole or in part as appropriate) against any other liability of that person in accordance with section 960H or, as the case may be but subject to section 865, repay the amount of the overpayment (or the balance of it after any offset) to the person on whom the double assessment has been made.",

(*j*) in section 959M(*b*) by inserting "to that partner" after "had been given",

(*k*) in section 959P(1), in the definition of "letter of expression of doubt", by substituting the following for paragraph (*b*):

"(*b*) specifies the doubt, the basis for the doubt and the law giving rise to the doubt,",

(*l*) in section 959P(1), in the definition of "letter of expression of doubt", by substituting the following for paragraph (*d*):

"(*d*) lists or identifies the supporting documentation that is being submitted to the appropriate inspector in relation to the matter, and",

(*m*) in section 959P(2) by deleting "and" at the end of paragraph (i), by substituting "return, and" for "return." in paragraph (ii) and by inserting the following after paragraph (ii):

"(iii) submit supporting documentation to the appropriate inspector in relation to the matter.",

(*n*) in section 959P by substituting the following for subsection (3):

"(3) This section applies only if—

(*a*) the return referred to in subsection (2) is delivered to the Collector-General, and

(*b*) the documentation referred to in paragraph (iii) of that subsection is delivered to the appropriate inspector,

on or before the specified return date for the chargeable period involved.'',

(*o*) in section 959P by inserting the following after subsection (3):

''(3A) (*a*) The documentation referred to in subsection (3)(*b*) shall be delivered by electronic means where the return referred to in subsection (2) is delivered by electronic means.

(*b*) The electronic means by which the documentation referred to in subsection (3)(*b*) shall be delivered shall be such electronic means as may be specified by the Revenue Commissioners for that purpose.'',

(*p*) in section 959P(6) by deleting paragraph (*a*) and by substituting the following for paragraph (*b*):

''(*b*) the officer is of the opinion, having regard to any guidelines published by the Revenue Commissioners on the application of the law in similar circumstances and to any relevant supporting documentation delivered to the appropriate inspector in relation to the matter in accordance with subsections (2) and (3), that the matter is sufficiently free from doubt as not to warrant an expression of doubt, or'',

(*q*) in section 959R(3)(*d*) by substituting the following for subparagraph (ii):

''(ii) is overpaid by the person for the period and which, subject to the Acts, is available for offset or repayment by the Revenue Commissioners.'',

(*r*) in section 959S by inserting the following after subsection (2):

''(3) This section shall not apply to an individual who is, by virtue of section 917EA, a specified person who is required to deliver the return concerned by electronic means.'',

(*s*) in section 959V(1) by substituting ''by that person'' for ''by him or her'',

(*t*) in section 959V by substituting the following for subsection (4):

''(4) (*a*) Notice under this section in relation to the amendment of a return and a self assessment shall be given by electronic means

where the return was delivered by electronic means.

(*b*) The electronic means by which notice under this section shall be given shall be such electronic means as may be specified by the Revenue Commissioners for that purpose.'',

(*u*) in section 959V by substituting the following for subsection (6):

''(6) (*a*) Subject to paragraph (*b*) and subsection (7), notice under this section in relation to a return and a self assessment may only be given within a period of 4 years after the end of the chargeable period to which the return relates.

(*b*) Where a provision of the Acts provides that a claim for an exemption, allowance, credit, deduction, repayment or any other relief from tax is required to be made within a period shorter than the period of 4 years referred to in paragraph (*a*), then notice of an amendment under this section shall not be given after the end of that shorter period where the amendment relates to either the making or adjustment of a claim for such exemption, allowance, credit, deduction, repayment or other relief.'',

(*v*) in section 959Y—

(i) in subsection (1)(*a*) by substituting ''in such amount'' for ''in such sum'', and

(ii) in subsection (2) by substituting ''an assessment on or in relation to'' for ''any assessment on'',

(*w*) in section 959AB—

(i) in subsection (1) by deleting ''and section 997'', and

(ii) in subsection (2) by inserting ''for the year of assessment for which the emoluments are assessable'' after ''Revenue officer'',

(*x*) in section 959AF(1)—

(i) in paragraph (*a*) by substituting ''section 959AA, 959AC or 959AD'' for ''section 959AA'', and

(ii) in paragraph (*b*) by substituting ''section 959AB or 959AD'' for ''section 959AB or section 997'',

(*y*) in section 959AN by inserting the following after subsection (2):

''(2A) Reference in subsection (2) to the amount of tax which in the opinion of the chargeable person is

likely to become payable shall be construed in accordance with the definition of 'amount of tax payable' in section 959A.'',

and

(*z*) in each provision referred to in *column (2)* of the Table to this Schedule, the words or reference set out in *column (3)* of the Table are to be deleted and the words or reference opposite the entry in *column (3)*, as set out in *column (4)* of the Table, are to be inserted.

TABLE

Item No. (1)	Provision (2)	Words to be deleted (3)	Words to be inserted (4)
1	section 959AO(2)(*b*)	the tax specified	the amount of tax payable that is specified
2	section 959AQ(2)	the tax specified	the amount of tax payable that is specified
3	section 959AR(2)(*b*)	the tax specified	the amount of tax payable that is specified
4	section 959AR(4)(*b*)	the amount which	the amount of tax which
5	section 959AS(3)(*b*)	the tax specified	the amount of tax payable that is specified
6	section 959AS(6)(*b*)	the amount which	the amount of tax which
7	section 959AS(7)(*b*)	the amount which	the amount of tax which
8	section 959AV(2)(*a*)	the tax which	the amount of tax which
9	section 959AV(2)(*a*)	the tax found	the amount of tax found
10	section 959AV(2)(*b*)	section 958AR(3) or section 958AS(3)	section 959AR(3) or section 959AS(3)

PART 2

Other amendments of the Taxes Consolidation Act 1997

The Taxes Consolidation Act 1997 is amended—

(*a*) in section 95(3) by substituting ''4 years'' for ''10 years'',

(*b*) in section 110(1), in paragraph (*f*) of the definition of ''qualifying company'', by substituting ''section 959A'' for ''section 950'',

(*c*) in section 304(5) by substituting ''by means of an assessment or, as the case may be, an amendment of an assessment on or in relation to the person for that period'' for ''by means of an assessment in addition to any other assessment to be made on the person for that period'',

(*d*) in section 472D(9) by substituting—

(i) ''Part 41A or section 1084'' for ''section 950 or 1084'', and

(ii) ''Part 41A'' for ''Part 41'',

(*e*) in section 811(5A)(*b*) by inserting ''or 41A'' after ''Part 41'',

(*f*) in section 825C(8) by substituting—

(i) ''Part 41A or section 1084'' for ''section 950 or 1084'', and

(ii) ''Part 41A'' for ''Part 41'',

(*g*) in section 932 by substituting ''Except as provided in Part 41A or where otherwise expressly authorised'' for ''Except where expressly authorised'',

(*h*) in section 997(1) by inserting ''against the amount of tax chargeable in the assessment on the person assessed'' after ''from the emoluments'',

(*i*) in section 997(1A) by substituting ''Subject to sections 959AB and 959AD'' for ''Notwithstanding subsection (1)'', and

(*j*) in section 997A(3) by substituting ''shall be given against the amount of tax chargeable in any assessment'' for ''shall be given in any assessment''.

SCHEDULE 2

Miscellaneous Technical Amendments in relation to Tax

1. The Taxes Consolidation Act 1997 is amended—

(*a*) in section 110(1), in paragraph (*ba*) of the definition of ''carbon offsets'', by substituting ''Reducing'' for ''Reduced'' and ''process'' for ''programme'',

(*b*) in section 128E(6)(*a*) by deleting ''for'' where it first occurs,

(*c*) in section 133—

(i) in subsection (1)(*da*)(i) by substituting ''section 443(16)'' for ''section 433(16)'', and

(ii) in subsection (13)(*b*)(i) by substituting ''the currency of the State'' for ''Irish currency'',

(*d*) in section 198(1)(*c*)(iii)(II) by inserting ''if'' before ''the person'',

(*e*) in section 452A(1), in paragraph (*b*) of the definition of ''interest'', by deleting '', (3)(*a*)'',

(*f*) in section 766A(3A)(*a*)(i) by substituting ''this section'' for ''section 766A'',

(*g*) in section 917B(5) by substituting ''subsection (3)'' for ''subsection (2)'' in each place, and

(*h*) in paragraph 4(5)(*b*) of Schedule 24—

(i) in subclause (iv) by inserting ''shall be treated for the purposes of that paragraph'' after ''(within the meaning of that paragraph)'',

(ii) in subclause (v) by inserting ''shall be treated for the purposes of that paragraph'' after ''(within the meaning of that paragraph)'', and

(iii) in subclause (vi) by inserting ''shall be treated for the purposes of that paragraph'' after ''(within the meaning of that paragraph)''.

2. The Stamp Duties Consolidation Act 1999 is amended—

(*a*) in section 46(5) by substituting ''Paragraph (5)'' for ''Paragraph (15)'',

(*b*) in section 71—

(i) in paragraph (*b*)(ii)—

(I) by deleting ''and notwithstanding section 30(3)'', and

(II) by deleting ''and penalty'',

and

(ii) in paragraph (*d*) by deleting ''and penalty'',

and

(*c*) in section 159B(3) by substituting ''section 960H(4)'' for ''section 1006A(2A)''.

3. The Value-Added Tax Consolidation Act 2010 is amended—

(*a*) in section 17(1)(*c*) by substituting the following for subparagraph (i):

''(i) services consisting of the admission to, and the provision of any ancillary services related to, a cultural, artistic, entertainment or similar event, and'',

(*b*) in section 34(*ga*) by deleting ''admission to'',

(*c*) in section 87 by substituting the following for subsection (14):

''(14) (*a*) Where an accountable person purchases or acquires motor vehicles, within the meaning of section 60(1), as stock-in-trade and declares any such vehicle for registration to the Revenue Commissioners (in accordance with section 131 of the Finance Act 1992) on that person's own behalf and where deductibility in accordance with Chapter 1 of Part 8 has been claimed by that person in respect of that motor vehicle, then—

(i) that motor vehicle shall be treated for the purposes of this Act as if it were removed from stock-in-trade,

(ii) such removal is deemed to be a supply of that motor vehicle by that person for the purposes of section 19(1)(*f*), and

(iii) for the avoidance of doubt, the amount of tax chargeable in respect of that supply is the amount referred to in paragraph (*b*)(ii)(II) and accordingly is not included in any amount which that person is entitled to deduct in accordance with section 59(2)(*k*).

(*b*) At the time when the accountable person, as referred to in paragraph (*a*), supplies to another person a motor vehicle which is deemed to have been previously supplied in accordance with paragraph (*a*) or section 12B(11)(*a*) of the repealed enactment then—

(i) that motor vehicle is deemed to have been reacquired by the said accountable person as a margin scheme good immediately before the supply to the other person, and

(ii) for the purpose of the calculation of the profit margin in relation to that supply, the purchase price of the motor vehicle is deemed to be the sum of—

(I) the amount on which tax was chargeable on the supply of that motor vehicle to the said accountable person,

(II) the tax which was chargeable on the supply referred to at clause (I), and

(III) the vehicle registration tax accounted for by the said accountable person in respect of that motor vehicle.'',

and

(*d*) in paragraph 6(4) of Part 2 of Schedule 1 by substituting ''Annex II of Directive No. 85/611/EEC'' for ''Annex II of Directive No. 2001/107/EC''.

4. The Finance Act 1992 is amended—

(*a*) in section 130 by inserting the followinig definitions:

'' 'Directive 2009/55/EC' means Council Directive 2009/55/EC[1] of the European Parliament and of the Council of 25 May 2009 on tax exemptions applicable to the permanent introduction from a Member State of the personal property of individuals;

'Directive 83/182/EEC' means Council Directive 83/182/EEC[2] of the European Parliament and of the Council of 28 March 1983 on tax exemptions within the Community for certain means of transport temporarily imported into one Member State from another;'',

(*b*) in section 131(1)(*i*) by substituting ''135(1)(*a*)'' for ''135(*a*)'' in each place,

(*c*) in section 134(3) by substituting ''Disabled Drivers and Disabled Passengers (Tax Concessions) Regulations 1994 (S.I. No. 353 of 1994)'' for ''Disabled Drivers (Tax Concessions) Regulations, 1989 (S.I. No. 340 of 1989)'', and

(*d*) in section 141(3A) by substituting ''Council Directive 83/182/EEC of 28 March 1983[3] and Council Directive 2009/55/EC of 25 May 2009[4]'' for ''Council Directive 83/182/EEC of 23 April 1983[5] and Council Directive 83/183/EEC of 23 April 1983[6]''.

5. *Paragraphs 1, 2, 3* and *4* have effect on and from the passing of this Act.

[1]OJ No. L145, 10.6.2009, p.36
[2]OJ No. L105, 23.4.1983, p.59
[3]OJ No. L105, 23.4.1983, p.59
[4]OJ No. L145, 10.6.2009, p.36
[5]OJ No. L105, 23.4.1983, p.59
[6]OJ No. L105, 23.4.1983, p.64

Click here for Bill

AN BILLE AIRGEADAIS, 2013
FINANCE BILL 2013

Mar a tionscnaíodh
As initiated

EXPLANATORY MEMORANDUM

PART 1

Income Levy, Universal Social Charge, Income Tax, Corporation Tax and Capital Gains Tax

Chapter 1

Interpretation

Section 1 contains a definition of ''Principal Act'' (i.e. the Taxes Consolidation Act 1997) for the purposes of Part 1 of the Bill relating to income levy, universal social charge, income tax, corporation tax and capital gains tax.

Chapter 2

Universal Social Charge

Section 2 amends section 531AM of the Taxes Consolidation Act 1997. It provides that an amount paid under the pre-retirement access to Additional Voluntary Contributions (AVCs) arrangements, as provided by *section 16* of this Bill, is not liable to USC.

The section also clarifies that where a balancing charge arises in respect of a capital allowance that would have been deducted in computing a liability to USC, a charge to USC arises on such a balancing charge.

Section 3 gives effect to the Budget announcement by amending section 531AN of the Taxes Consolidation Act 1997, to discontinue the reduced rates of Universal Social Charge (USC) which applied for those aged 70 years and over, and for individuals who have entitlement to a medical card. From 1 January 2013, all such individuals with an income in excess of €60,000 will be liable to the full rates of USC applicable.

Section 4 amends section 531AAA of the Taxes Consolidation Act 1997, which sets out a number of provisions relating to the

administration of income tax. These provisions are being extended, such that they will also apply, to the administration of USC.

Chapter 3

Income Tax

Section 5 amends the definition of ''key employee'' for the purposes of section 472D by reducing from 75 per cent to 50 per cent the minimum amount of time that an employee must devote to his or her employer's research and development (R&D) activities and by reducing from 75 per cent to 50 per cent the minimum amount of that employee's emoluments that qualify as expenditure on R&D activities for the purposes of section 766. Section 766(2A) of the Taxes Consolidation Act 1997 permits a company to transfer its research and development (R&D) tax credit to its key employees. Section 472D of the Taxes Consolidation Act 1997 provides for the granting of such transferred R&D tax credit to key employees.

This section also provides for a technical amendment to subsection (8) of section 472D.

Section 6 amends section 71 of the Taxes Consolidation Act 1997, which sets out the basis of assessment of income from foreign securities and possessions, including the remittance basis of taxation as regards such income arising to non-domiciled individuals. The amendment counters a potential avoidance mechanism to provide that where a non-domiciled individual transfers his or her foreign sourced income, or property bought using that income, to his or her spouse or civil partner, and, on or after 13 February 2013, that income or property is remitted to the State, that remittance will be deemed to have been made by the non-domiciled individual. A similar amendment is made to the remittance basis of assessment for Capital Gains Tax.

Section 7 amends sections 88A and 472A of the Taxes Consolidation Act 1997 which relate to the Revenue Job Assist scheme. The amendments provide for the cessation of the scheme on a day that the Minister for Finance may by order appoint.

Section 8 amends section 126 of the Taxes Consolidation Act 1997 to apply income tax to maternity benefits (maternity benefit, adoptive benefit and health and safety benefit) payable by the Department of Social Protection with effect from 1 July 2013. The amendment also provides for the making of Regulations for the efficient collection and recovery of any income tax due on the benefits.

Section 9 amends section 823A of the Taxes Consolidation Act 1997, which provides for a tax deduction, subject to certain conditions, for individuals who carry out the duties of their office or employment in Brazil, Russia, India, China and South Africa. The scheme is being extended to include Algeria, the Democratic Republic of the Congo, Egypt, Ghana, Kenya, Nigeria, Senegal and Tanzania.

Section 10 amends section 473A of the Taxes Consolidation Act 1997, which relates to tax relief for fees paid for third-level education. It provides for an increase in the amount of fees which is disregarded for relief from €2,250 to €2,500 for the year 2013, to €2,750 for the year 2014 and to €3,000 for the year 2015 where any of the fees are in respect of a full-time course. Where all of the fees relate to part-time courses it provides for an increase in the amount

which is disregarded from €1,125 to €1,250 for the year 2013, to €1,375 for the year 2014 and to €1,500 for the year 2015.

Section 11 inserts a new section 811B into the Taxes Consolidation Act 1997. This is an anti-avoidance measure to counter a tax avoidance scheme wherein an employer, instead of paying salary or bonus, places funds in a trust (usually a discretionary trust located outside the State) or other structure with the trustees of that trust or structure granting long-term loans, generally with no periodic repayment or interest paid, to the employees of that employer.

Payments (including a loan or the loan of an asset) to an employee, former employee or prospective employee out of a trust that is provided, or funded, by a person (including a company) who is that employee's employer (or subsequently becomes that employee's employer) will be deemed to be income within the charge to Income Tax and the Universal Social Charge.

In addition, as a balancing aspect, if the payment made by the trust to the individual is a loan that is wholly or partly repaid, the Income Tax and Universal Social Charge attributable to the amount repaid will be refunded, subject to certain safeguards.

The measure also provides, in relation to such loans, loans of assets, etc. that were made before the publication of the Finance Bill, that, if a charge to tax does not currently exist, then a charge to income tax and the universal social charge will arise for each year of assessment that the loan remains outstanding or the employee continues to have use of the asset. The annual amount chargeable will be an amount calculated as if certain benefit-in-kind provisions had applied.

To avoid any possibility that genuine Employee Benefit Trusts would inadvertently be caught by the legislation, the provision will not apply to schemes that are approved by the Revenue Commissioners such as Approved Profit Sharing Schemes, Employee Share Ownership Trusts or Occupational Pension Schemes.

Section 12 makes a number of changes in respect of benefit-in-kind legislation. In particular it updates the definition of ''approved transport provider'' for the purposes of the Travel Pass scheme. Confirmation is also given that when a benefit is provided by any public body to an office holder or employee, whether employed directly by that body or not, a benefit-in-kind charge applies. The change in the specified rates applicable to preferential loans is also confirmed. A number of minor technical amendments are made to the salary sacrifice legislation.

Section 13 implements a number of changes to the level of tax relief available in respect of ex-gratia payments made by employers and gives effect to the Budget announcement that Top Slicing Relief will no longer be available from 1 January 2013 on ex-gratia lump sum payments where the non-statutory payment is €200,000 or over.

The section also provides for the extension of the maximum lifetime limit of €200,000 that may be paid tax free, in respect of termination or ex-gratia payments, to cover ex-gratia payments made on account of the death or disability of an employee. Any amount exceeding €200,000 will be taxable in full and no other relieving provisions will apply to such amounts other than the retraining provision.

Foreign Service Relief, provided for in section 201 of the Taxes Consolidation Act 1997, is being abolished with effect from the passing of the Bill.

Section 14 provides for an amendment to the definition of ''relievable amount'' in section 470 of the Taxes Consolidation Act 1997. The amendment will provide that the standard rate tax relief at source will be net of any ''risk equalisation credit'' under the new permanent health insurance risk equalisation scheme. This is similar to the position under the interim health insurance scheme from 2009 to 2012, under which the standard tax relief at source was net of the former ''age-related income tax credits'' which have now been phased out. This will ensure that following the commencement of the new risk equalisation scheme the correct tax relief at source is granted in respect of medical insurance premiums paid by individuals.

Section 15 amends section 70 of the Taxes Consolidation Act 1997, which relates to the basis of assessment for income or profits chargeable under Case III of Schedule D. This includes, for example, untaxed Irish investment income and most income derived from sources outside the State (such as income from foreign trades, pensions, rents & dividend income).

Section 70 provides that, for the purposes of ascertaining liability to income tax, income or profits chargeable to income tax under Case III are deemed to issue from a single source. The single source provision has been interpreted by some to mean that all foreign source income and losses of whatever description are to be aggregated in computing net foreign income for Irish tax purposes. This interpretation can result, for example, in foreign rental losses being deducted from foreign dividend income.

The amendment clarifies that the single source provision in section 70 cannot be taken to mean that rental losses arising from the letting of foreign property are to be included in the computation of income or profits chargeable under Case III of Schedule D.

Section 16 amends Part 30 of the Taxes Consolidation Act 1997 which deals with the tax treatment of various pension products and approved retirement funds (ARFs). The main changes being made are as follows:

Firstly: the section provides for a new section 872A to be inserted into Chapter 1 of Part 30 to give legislative effect to the announcement in the Budget that, in certain circumstances, individuals would be given limited pre-retirement access to their Additional Voluntary Contributions (AVCs).

For a 3 year period, commencing on the date of passing of Finance Act 2013, a member of an approved scheme or a statutory scheme who has made AVCs (including additional voluntary PRSA contributions to an AVC PRSA) may exercise an option to access, on a once-off basis, up to 30 per cent of the accumulated value of the AVCs by instructing the scheme administrator or the PRSA administrator accordingly. The option is available in respect of AVCs made for the purposes of providing benefits in retirement but does not include AVCs made for the purposes of purchasing notional service. Where an AVC fund is subject to a pension adjustment order, both the scheme member and the spouse or former spouse or civil partner or former civil partner of the member may exercise the option independently in respect of their respective ''share'' of the AVCs.

For the avoidance of doubt, the new section makes it clear that employer contributions of any kind to an approved scheme, a statutory scheme or a PRSA, contributions made by a member to the member's main scheme or contributions made by a member to a PRSA (other than to an AVC PRSA) are excluded from the provisions of the section.

Where the option is exercised, the amount transferred by the administrator is treated as a payment of emoluments to the individual and is taxed under PAYE. The administrator is required to deduct tax at the higher rate (41 per cent) unless the administrator has received from Revenue a certificate of tax credits and standard rate cut-off point in respect of the individual. *Section 2* of the Finance Bill provides that such payments will not be liable to USC and it is intended to exempt them from PRSI in the next Social Welfare and Pensions Bill.

Secondly, the section provides for the temporary rescinding of certain of the provisions included in Finance Act 2011 in the context of the extension of the ARF option to all Defined Contribution (DC) pension arrangements. The provisions being temporarily rescinded relate to (*a*) the increase in the minimum guaranteed pension income for life (specified income) from €12,700 per annum to 1.5 times the State Pension (Contributory) i.e. currently €18,000, which applies to individuals aged under 75 years in order for such individuals to have access to an Approved Retirement Fund (ARF), and (*b*) the increase in the maximum ''set aside'' amount required to be placed in an Approved Minimum Retirement Fund (AMRF) from €63,500 to 10 times the rate of State Pension (Contributory) i.e. currently €119,800, where individuals do not meet the specified income requirement and choose not to purchase an annuity.

The previous limits of €12,700 and €63,500 are being reinstated in respect of ARF options exercised on or after the date of the passing of Finance Act 2013. The intention is that the lower limits will apply for a period of 3 years, whereupon the higher limits implemented in 2011 will be reapplied by Finance Act 2016. To ensure that individuals who were affected by the higher limits in the period since the passing of Finance Act 2011 (i.e. since 6 February 2011) are not disadvantaged, provision is also made that:

- Where on or after the date of the passing of Finance Act 2013 such individuals have specified income of at least €12,700, any AMRF they have immediately becomes an ARF, and
- Where on the date of the passing of Finance Act 2013 such individuals have specified income of less than €12,700 then, to the extent that the original capital amount that they placed in the AMRF exceeded €63,500, the excess of that capital amount above €63,500 immediately becomes an ARF.

Section 17 makes a series of amendments to the Taxes Consolidation Act 1997 and provides for specific changes to the taxation rules relating to certain individuals who are engaged in, or deemed to be engaged in, the trade of dealing in or developing land. Specifically, this section provides for the following:

- The release of debts, incurred on foot of money borrowed to acquire land held as trading stock, will be treated as an income receipt in the year of release, and
- Loss relief, provided for in section 381 of the Taxes Consolidation Act 1997, where it relates to interest deductions and deductions arising from a decline in the value of land held

as trading stock, will be restricted to circumstances in which the interest is actually paid or the decline in land value has actually been realised by way of disposal of the land.

Release of certain debts

A new provision (section 87B of the Taxes Consolidation Act 1997) will apply to all individuals engaged in, or deemed to be engaged in, the trade of dealing in or developing land. Where an amount of any debt, which is incurred by the individual to fund the acquisition of land held as trading stock, is released, that amount is treated as a receipt of income in the year of release. Provision is made to ensure that the amount is chargeable even where the trade has ceased before the time of the release.

For the purposes of this new section, ''release'' essentially means any form of debt forgiveness, whether formal or otherwise, including that associated with limited or non-recourse loans and the discharge of debt in the context of bankruptcy or insolvency. Carried forward losses of the trade will be available to reduce or eliminate any tax charge which may arise as a result of this measure. This provision applies to any such debt released on or after 13 February 2013.

Loss Relief

A new section (381A) is inserted into the Taxes Consolidation Act 1997 which modifies and limits, in certain circumstances, the provisions relating to loss relief (section 381). The details of the new section are as follows:

- It applies to an individual in any particular year, if less than 50 per cent of his/her total income (for USC purposes) for that year and the 2 previous years derives from dealing in or developing land.
- It applies as respects losses created by trading deductions on foot of interest payable on loans taken out to acquire land held as trading stock as well as deductions attributable to any write-down of the value of such land in an individual's accounts.
- Loss relief, under section 381, may not be claimed in respect of any such losses in the future, unless the interest in question has actually been paid or the decline in land value has actually been realised by way of a disposal prior to the claim being made.
- The normal deductibility of the interest expense or the write-down in land value in the trading accounts is unaffected by these new measures.
- In order to effect the proper functioning of this new section, provision is made to set an order in respect of which deductions and payments are deemed to be made.
- This provision applies to any interest expense incurred or any write-down in land value, which takes place on or after 13 February 2013.

Chapter 4

Income Levy, Income Tax, Corporation Tax and Capital Gains Tax

Section 18 amends section 848A of, and Schedule 25B to, the Taxes Consolidation Act 1997 which relates to the scheme of tax relief for

donations to approved bodies including certain charitable and educational bodies.

The amendments give legislative effect to the announcement in the Budget that donations made by individuals to approved bodies would be subject to a simplified scheme from 1 January 2013. All donations will be treated the same, with the tax relief in all cases being refunded to the approved body. A blended rate of tax relief of 31 per cent is introduced and, as the benefit of the relief is being removed from the donor, the scheme is also being removed from the scope of the high income individuals' restriction. An annual limit of €1 million per individual that can be donated under the scheme is also being introduced.

As part of the simplification process, provision is being made for an enduring certificate which will last for up to five years and can be completed by a donor in lieu of an annual certificate. Where an enduring certificate is completed, the approved body will no longer require an annual certificate to be completed by a donor for the purposes of claiming relief.

Section 19 makes a number of amendments to Part 23 of the Taxes Consolidation Act 1997 which deals with the tax treatment of farmers. The amendments relating to the extension of stock relief to 2015 and the definition of registered farm partnerships reflect announcements made in the Budget Statement.

Stock relief under section 666 (which is concerned with the general scheme of 25 per cent stock relief for farmers) is extended for three years to 31 December 2015. This change is subject to commencement by order of the Minister for Finance.

There are a number of amendments to section 667B (relating to the special scheme of 100 per cent stock relief for certain young trained farmers), all of which are subject to commencement by order of the Minister for Finance. The changes are as follows:

Firstly, in respect of individuals seeking to qualify for the 100 per cent stock relief for the first time in the year of assessment 2012 or any subsequent year of assessment, part of the qualification process will now require a business plan to be submitted to Teagasc for the purposes of section 667B, unless a business plan has otherwise been submitted to Teagasc or the Minister for Agriculture, Food and the Marine for any other purpose.

Secondly, the scheme of 100 per cent stock relief for certain young trained farmers is extended for three years to 31 December 2015.

Thirdly, the (cash equivalent) amount of stock relief at the 100 per cent rate which can be received by a qualifying farmer, who first qualifies as such in the year of assessment 2012 or a subsequent year of assessment, is limited to €40,000 in a single year of assessment and €70,000 in aggregate over the course of the scheme (i.e. 4 years).

Finally, stock relief at the 100 per cent rate will apply only for the year of assessment 2012 or any subsequent year of assessment where a young trained farmer falls within the definition of small and medium-sized enterprises in Article 2 of Regulation (EC) No. 1857/2006 for the year in question.

The section also amends section 667C (for which clearance is currently being sought from the European Commission) by extending the definition of a registered farm partnership to allow

for the addition of farming partnerships, other than milk production partnerships, which are included on a register of farm partnerships to be provided by way of regulations made by the Minister for Agriculture, Food and Marine with the consent of the Minister for Finance.

Section 20 refocuses the delivery mechanism for film relief. Arising from the amendments provided for in this section, Film Relief will not be available to investors in qualifying films. Instead a payable tax credit of 32 per cent will be paid directly to a Producer Company. The tax credit will reduce the corporation tax of the qualifying period in respect of which the return filing date immediately precedes the application for a film certificate. Where the tax credit exceeds the tax due for the qualifying period (as reduced by the tax paid), the tax credit will be a payable credit.

The section provides for the extension of the scheme to 31 December 2020 and is contingent on EU approval. Commencement is accordingly subject to a Ministerial Order.

Section 21 amends Part 16 of the Taxes Consolidation Act 1997 to extend the Employment and Investment Incentive and Seed Capital Scheme to 31 December 2020. This extension is contingent on the approval of the European Commission and therefore its commencement is subject to a Ministerial Order.

In addition, Part 16 is also being amended to permit the operating or managing of hotels, guest houses, self-catering accommodation or comparable establishments to qualify for the incentives where they meet the conditions required for tourist traffic undertakings.

Section 22 increases Deposit Interest Retention Tax by three percentage points with effect from 1 January 2013, as announced in Budget 2013.

The section also provides for a number of consequential amendments to Part 8 of the Taxes Consolidation Act 1997 to cater for the increase in rates.

Section 23 amends the definition of ''investment certificate'' in section 267N of the Taxes Consolidation Act 1997. Investment certificates are a type of security issued by a company involved in certain of the ''specified financial transactions'' dealt with in Part 8A of the Act.

At present the definition of investment certificate requires that such certificates will only qualify for the tax treatment outlined in Part 8A if they are issued to the public. *Section 23* replaces this requirement with a condition that the certificates should not be issued to a specified person within the meaning of section 110. This means in effect that an investment certificate will qualify for the tax treatment outlined in Part 8A provided that it is not issued to a connected person and that it complies with the other criteria set out in Part 8A.

Section 24 amends section 1003A of the Taxes Consolidation Act 1997, which provides tax relief for donations of heritage property to the Irish Heritage Trust or the Commissioners of Public Works. The tax relief available for the donation of heritage properties is being reduced from 80 per cent to 50 per cent of the market value of the property donated.

In addition, the section is being amended to permit the donation of certain accompanying buildings, outbuildings, yards and land in tandem with the donation of heritage gardens under the measure. The acceptance of a donation of land to provide parking facilities or access to a heritage property will also be permitted where deemed necessary by the Irish Heritage Trust or the Commissioners of Public Works.

Section 25 amends Schedule 24 of the Taxes Consolidation Act 1997 which deals with relief for double taxation.

The amendment provides for a credit for any unrelieved foreign tax against universal social charge (USC) on foreign income.

The amendment also inserts a new paragraph into the Schedule to provide for an additional credit for tax on foreign dividends. The credit is applicable to certain dividends received from companies resident in EU/EEA treaty-partner countries. Dividends that are directly or indirectly attributable to profits of third country connected companies that have not been subject to tax, are excluded. The additional foreign credit allows for increased double taxation relief when the existing credit for foreign tax on the relevant dividend is less than the amount that would be computed by reference to the nominal rate of tax in the country from which the dividend is paid.

The total credit, including the additional credit, cannot exceed the corporation tax attributable to the income. The additional credit will not be eligible for pooling of credits for foreign tax or for carry-forward of relief.

Section 26 amends section 79C of the Taxes Consolidation Act 1997 in two respects as follows:

- *Firstly*, it amends the definition of ''relevant bank deposit'' in subsection (1) to replace the reference to ''Irish currency'' with ''the currency of the State'', and
- *secondly*, it amends the formula contained in subsection (3) that determines the amount to which the income chargeable is increased, so that the tax charged will continue to be equal to the tax chargeable on capital gains.

Section 27 increases the amount of group expenditure on research and development activities excluded from the incremental basis of calculation from €100,000 to €200,000.

Section 28 amends section 246 of the Taxes Consolidation Act 1997 which provides an exemption from the requirement to deduct withholding tax from payments of annual interest in certain circumstances. The section amends section 246 in two respects:

- *Firstly*, it amends subsection (3)(*c*) and deletes subsection (4) to ensure that interest can continue to be paid on relevant securities without deduction of withholding tax,
- *secondly*, it provides an exemption from the requirement to deduct withholding tax from payments of interest to exempt approved pension schemes within the meaning of section 774.

The first amendment is designed to confirm and continue the withholding tax exemption which applies to securities issued by a company that previously held a licence under the IFSC or Shannon licensing regime provided the company:

- issued the security before their license expired and
- is obliged to redeem the security within 15 years from the date it was issued.

The second amendment will eliminate the administrative burden associated with reclaiming withholding tax deducted from payments of interest to approved pension schemes as such pension schemes are already exempt from tax on the income received (and so are entitled to a refund of the withholding tax deducted).

Section 29 inserts a new Chapter 13 into Part 12 of the Taxes Consolidation Act 1997, under the title ''Living City Initiative''. The initiative provided for in this new Chapter, introduces a limited form of incentive scheme for certain special urban regeneration areas, focusing on the conversion and refurbishment of dilapidated Georgian houses, exclusively for owner-occupier residential purposes and also for the refurbishment of certain commercial properties. The urban areas will be described by order of the Minister for Finance for the purposes of these tax incentives. The scheme itself will be commenced by Ministerial order and will apply to qualifying expenditure incurred within 5 years of that date. Provision is included to ensure that only expenditure properly attributable to works carried out within that 5 year period will qualify for the relief. There are two separate elements to this property incentive scheme, the first relating to owner-occupied residences and the second, relating to retail and other commercial development.

Section 30 makes a number of amendments to various sections of the Taxes Consolidation Act 1997, to provide for a scheme of accelerated industrial buildings allowances for the construction or refurbishment of certain buildings or structures used in connection with the maintenance, repair or overhaul of commercial aircraft.

This section will commence on such day as is appointed by order of the Minister for Finance.

Section 31 amends Chapter 3 of Part 37 of the Taxes Consolidation Act 1997 by inserting a new section 891E. The new section applies for the purpose of implementing the Agreement to Improve Tax Compliance and Provide for Reporting and Exchange of Information concerning Tax Matters (United States of America) Order 2013 (S.I. No. 33 of 2013). This agreement provides for the reciprocal exchange of information between the tax authorities of both countries in respect of financial accounts held by U.S. persons in Ireland and by Irish resident persons in the United States.

This section provides that the Revenue Commissioners, with the consent of the Minister for Finance, may make regulations to require financial institutions to report information on certain accounts held by them. The provision also enables the Revenue Commissioners to exchange this information with the United States.

Chapter 5

Corporation Tax

Section 32 amends section 440 of the Taxes Consolidation Act 1997 to give effect to the change announced in Budget 2013 which increases the *de minimis* amount of undistributed investment and rental income which may be retained by a close company without giving rise to a surcharge from €635 to €2,000. A similar amendment is being made to section 441 to give effect to the increase in the *de*

minimis amount in respect of the surcharge on undistributed trading or professional income of certain service companies.

These changes are to apply to accounting periods ending on or after 1 January 2013.

Section 32 also includes a minor technical amendment to amend an incorrect statutory reference in section 441.

Section 33 amends section 486C of the Taxes Consolidation Act 1997 by allowing any unused relief arising in the first 3 years of trading, due to insufficiency of profits, to be carried forward for use in subsequent years. This is subject to the maximum amount of relief in any one year not exceeding the eligible amount of Employers' PRSI in that year.

Section 34 amends section 288 of the Taxes Consolidation Act 1997 which provides for an adjustment to the quantum of capital allowances made in respect of expenditure on machinery and plant where certain events, including the disposal of the machinery or plant, occur. These adjustments are referred to as balancing allowances and balancing charges. In the case of allowances made in respect of expenditure on a specified intangible asset within the meaning of section 291A a balancing charge, or clawback of allowances made, does not arise where the asset is disposed of, or ceases to be used in the trade, more than 10 years after the beginning of the accounting period of the company in which the asset was first provided, and a connected company does not make a claim under section 291A in respect of expenditure connected to the balancing event.

Section 288 is being amended to reduce from 10 years to 5 years the period in which a specified intangible asset must be used in the trade to avoid a clawback of allowances.

Section 35 amends Schedule 4 to the Taxes Consolidation Act 1997 to include the Pharmaceutical Society of Ireland and Science Foundation Ireland in the list of specified non-commercial State-sponsored bodies that qualify for exemption from certain tax provisions under section 227 of the Taxes Consolidation Act 1997. This section exempts from income tax and corporation tax certain income arising to the specified bodies which would otherwise be chargeable to tax under Cases III, IV and V of Schedule D. The exemptions are to take effect from the dates that the bodies were established.

Section 35 also amends section 226 of the Taxes Consolidation Act 1997. This section exempts from income tax and corporation tax employment grants and recruitment subsidies made to employers under certain schemes and programmes. This amendment will clarify that section 226 applies to the Wage Subsidy Scheme, as administered by the Department of Social Protection. The purpose of the Wage Subsidy Scheme is to encourage employment of people with disabilities. This amendment enables grants or subsidies paid under that scheme to be exempt from income tax and corporation tax. The Wage Subsidy Scheme absorbed the Pilot Programme for the Employment of People with Disabilities which has been deleted from section 226 by this amendment.

Section 36 reinstates a technical provision deleted by the 2012 Finance Act. The section restores the correct computation of the amount of the trading losses that may be carried forward where a claim for value basis relief under section 396B has been made. The

section ensures that the appropriate amount of losses is brought forward.

Section 37 amends section 411 of the Taxes Consolidation Act 1997 which deals with group relief for companies. The amendment clarifies that a company can surrender losses and other amounts eligible for group relief to an Irish resident company only if both companies are 75 per cent subsidiaries of companies resident in treaty partner countries or of quoted companies, and meet the other requirements of the section.

Section 38 increases the rates of tax applying to life assurance policies and investment funds by three percentage points with effect from 1 January 2013.

The amendment applies to the rates of exit tax on profits and gains from domestic life assurance policies and investment undertakings under the gross roll-up regime introduced in the Finance Act 2000. It also increases the rates of tax that apply to profits and gains from life assurance policies and investment funds in other EU Member States, EEA States and OECD countries with which Ireland has double taxation agreements. A similar increase is being applied to the rate of tax applying to a personal portfolio life policy and to an investment held in a personal portfolio investment undertaking.

Section 39 provides for the introduction of a tax regime for Real Estate Investment Trust (REIT) companies in the Taxes Consolidation Act 1997.

The section inserts a new Part 25A containing the specific provisions relating to the taxation of REIT companies. Subject to meeting a number of criteria, including a requirement to distribute 85 per cent of its property income by way of property income dividend, the regime provides a tax exemption in respect of the income and chargeable gains of a property rental business.

The REIT must derive 75 per cent of its aggregate income from the property rental business. It may carry on other ''residual'' business, but the tax exemption applies only to the income and chargeable gains of the property rental business.

The section also provides that property income dividends paid by the REIT will be subject to Dividend Withholding Tax, and will be taxable in the hands of the shareholders.

The REIT will be obliged to make an annual electronic return to Revenue, and the new Part 25A contains an anti-avoidance provision.

Section 40 provides for the tax treatment of investment limited partnerships (ILPs) established under the Investment Limited Partnerships Act, 1994.

It removes the ILP from the definition of an ''investment undertaking'' in section 739B, and instead inserts a new section 739J which provides for the tax transparency of the ILP. It does so by providing that the ILP is not chargeable to tax — instead the profits (income and gains) arising or accruing to the ILP are treated as arising or accruing directly to the ILP partners in proportion to the value of the units or interests that they hold in the ILP.

The section also updates certain other provisions of the Principal Act to refer to the new section 739J.

The ILP will be obliged to make an annual electronic return to Revenue giving details of the name and address of, and profits made and benefits accruing to, each unit holder.

The section applies only to ILPs that are authorised by the Central Bank on or after 13 February 2013.

Chapter 6

Capital Gains Tax

Section 41 gives effect to the proposal in the Budget statement to increase the rate of capital gains tax from 30 per cent to 33 per cent. The amendment applies to disposals made on or after 6 December 2012.

Section 42 replaces references to ''Irish currency'' in certain provisions of the Taxes Consolidation Act 1997 with the term ''the currency of the State''.

Section 43 amends section 29 of the Taxes Consolidation Act 1997, which sets out the persons who are chargeable to capital gains tax and the extent of such charge. Individuals who are resident or ordinarily resident but not domiciled in the State are only taxed on non-Irish chargeable gains in respect of amounts derived from those gains that are remitted to the State. The amendment counters a potential avoidance scheme to provide that where a non-domiciled individual transfers his or her non-Irish gains or amounts derived from such gains to his or her spouse or civil partner, and, on or after 13 February 2013, such gains or amounts derived from such gains are received in the State, they will be deemed to have been received in the State by the non-domiciled individual. A similar amendment is being made to the remittance basis of assessment for Income Tax.

Section 44 amends section 541C of the Taxes Consolidation Act 1997. That section deals with the capital gains tax treatment of certain profits (known as ''carried interest'') received by venture fund managers. The Bill makes a number of changes to section 541C. Firstly, it extends the scope of the relief so that it is not limited to carried interest derived from investment in trading companies at the start-up phase only. Secondly, it links the relief to the overall performance of the investment portfolio of the qualifying venture capital fund. Thirdly, it reduces the duration of the period for which the investment in the target companies must be held from 6 years to 3 years. Lastly, it extends the relief that is currently available to companies and partnerships to individual venture fund managers.

Section 45 amends section 599 of the Taxes Consolidation Act 1997 to ensure that relief from capital gains tax will apply to disposals of qualifying business or agricultural assets by individuals aged 66 years or over on or after 1 January 2014 where the consideration for the disposal is €3m or less. In addition, it provides for the aggregation of the consideration for disposals made on or after 1 January 2014 by such individuals for the purposes of the €3m lifetime limit.

Section 46 inserts a new section (section 604B) into the Taxes Consolidation Act 1997. This new section gives effect to the relief from capital gains tax for farm restructuring that was announced in the Budget. The relief will apply to a sale, purchase or exchange of agricultural land in the period from 1 January 2013 to 31 December 2015 (the relevant period) where Teagasc has certified that a sale and purchase or an exchange of agricultural land was made for farm restructuring purposes. The first sale, purchase or exchange must

occur in the relevant period and the subsequent sale or purchase must occur within 24 months of that sale or purchase. Full relief from capital gains tax will be given where the consideration for the purchase or the exchange of agricultural land is equal to or exceeds the consideration for the sale or the other land that is exchanged. Where the consideration for the purchase or exchange is less than the consideration for the land that is sold or the other land that is exchanged, relief will be given in the same proportion that the consideration for the land that is purchased or exchanged bears to the consideration for the land that is sold or the other land that is exchanged.

The amendment is subject to a Commencement Order to be made by the Minister for Finance.

PART 2

Excise

Section 47 confirms the Budget increases in the rates of Tobacco Products Tax which, when VAT is included, amount to 10 cent on a pack of 20 cigarettes with pro-rata increases on other tobacco products, together with an additional 50 cent increase on a 25g pack of roll-your-own tobacco.

Section 48 amends the Mineral Oil Tax provisions of Chapter 1 of Part 2 of the Finance Act 1999:

Paragraph (a) amends section 97 of that Act to provide clarity that the application of a rate lower than the appropriate standard rate includes the application of a full or partial relief.

Paragraph (b) amends the provisions for licensing of mineral oil traders, so that the Revenue Commissioners may publish the details of any licence that has been revoked.

Paragraph (c) provides for an electronic return to be made by mineral oil traders, with details of their dealings in mineral oil during a period. This provision is to be commenced by Ministerial Order.

Section 49 introduces a new section in Mineral Oil Tax law to provide for a partial relief, by way of repayment, for auto-diesel used in the course of business by qualifying road haulage and bus operators.

Subsection (1) of the new section provides for definitions of terms used in the section, including definitions of ''qualifying road transport operator'' and ''qualifying motor vehicle'' which are essential to the scope of the relief:

To qualify, a road haulage operator must hold a road haulage operator's licence issued under the Road Traffic and Transport Act 2006, or a corresponding licence issued by the competent authority of another Member State. A bus operator must hold a road passenger operator's licence issued under that Act, or a corresponding licence issued by the competent authority of another Member State.

The motor vehicles that qualify are:

- road haulage vehicles with a maximum permissible gross laden weight of not less than 7.5 tonnes, and

- passenger vehicles that conform to certain classifications under EU law. This includes the larger coaches and buses, and most minibuses.

Subsection (2) provides for the repayment of a proportion of the Mineral Oil Tax paid on auto-diesel purchased during a repayment period by a qualifying road transport operator, for lawful business use in a qualifying vehicle.

Subsection (3) provides for the calculation of the proportion of the Mineral Oil Tax to be repaid. This proportion is linked, by a sliding scale, to an estimate of the average price at which auto-diesel is purchased by qualifying operators. The maximum amount repayable is 7.5 cent per litre.

Subsection (4) provides for the estimate of price under subsection (3) to be determined on the basis of information provided by the Central Statistics Office.

Subsection (5) provides that a repayment shall not be made where the claimant is subject to tax clearance requirements, and does not hold a tax clearance certificate. A claim must also be refused where the claimant is a mineral oil trader who has not complied with the requirements of Mineral Oil Tax law for licensing and control of mineral oil.

Where a claimant is established in another Member State, repayment is subject to confirmation from the excise authority of that Member State that the claimant has complied with the tax obligations in that Member State that correspond to our tax-clearance obligations.

Subsection (6) provides that a repayment must be returned to the Revenue Commissioners before the auto-diesel concerned may be used for any purpose other than that which qualified it for repayment. It also provides that illegal diversion to a non-qualifying usage is subject to the relevant offence and penalty provisions of Mineral Oil Tax law.

Subsection (7) provides for the standard requirements in relation to excise repayment claims. It also provides that the Revenue Commissioners may make an order requiring that repayment claims be made by electronic means.

Subsection (8) makes explicit provision for certain matters to be covered in Revenue Commissioner's Regulations.

Section 50 amends the general provisions of excise law:

Paragraph (a) provides for a technical amendment to extend a reference to a new subsection.

Paragraph (b) introduces a new section to provide that no repayment of overpaid excise duty is to be made where the Revenue Commissioners determine that the repayment would result in the unjust enrichment of the claimant. This can arise where goods subject to excise duty have been sold after excise duty has been paid, so that the burden of that duty has been passed on to the purchaser. This new section is similar to section 100 of the Value-Added Tax Consolidation Act 2010.

In determining whether a repayment would result in the unjust enrichment of a claimant, the Revenue Commissioners must take

account, not only of the extent to which the cost of the overpaid excise duty has been passed on to a purchaser, but also of any loss of profits incurred by the claimant because of the overpayment. Consideration must also be given to any other factors that the claimant brings to their attention.

Section 51 defines terms used in the provisions of general excise law that cover the consignment to the State of excisable products under duty-suspension. These definitions are required, in particular, in the context of the clarification of the requirements for consignments of mineral oil from other Member States.

Section 52 amends the provisions of general excise law for the powers of Revenue officers for excise purposes:

Paragraph (a) is a minor technical amendment for consistency of terms.

Paragraph (b) amends section 136A of the Finance Act 2001, which provides that a Revenue officer may stop and question persons entering the State about their baggage and goods, and examine that baggage and goods, where that officer has reason to believe that the person concerned is committing an offence that relates to the bringing of excisable products into the State.

The amendment is required to ensure that the scope of the powers under the section is within the limits allowed under EU law.

Section 53 amends the provisions for the delegation of excise powers, functions and duties of the Revenue Commissioners. The scope of these provisions is extended, so that they are not confined as at present to general excise law under Part 2 of the Finance Act 2001, but also provide for the delegation of powers, functions and duties under any provision of excise law.

Section 54 introduces a new section in Tobacco Products Tax law to provide for an indictable offence of illicit production of tobacco products. It will also be an offence under that section to knowingly deal in, or deliver, any tobacco product that has been illicitly produced, and to keep materials and equipment for the purpose of illicit production.

A person convicted of any of these offences will be liable, on summary conviction, to a fine of €5,000 or to imprisonment for up to twelve months, or to both a fine and imprisonment. For a conviction on indictment, a person will be liable to a fine not exceeding €126,970 or to imprisonment for up to five years, or to both a fine and imprisonment.

Any equipment and materials, including unmanufactured tobacco, for use for illicit production will be liable to forfeiture. Where any unmanufactured tobacco is found, and where there is no evidence that it is for legitimate use, it will be presumed to be for use in illicit production.

The section also provides for an offence for the sale or delivery of unstamped tobacco products.

Section 55 clarifies, in *subsection (1),* the provisions in relation to relief from betting duty for ''laid-off'' bets. This involves the deletion of existing provisions and the inclusion of a relief provision in line with other excises.

Subsection (2), which is subject to commencement, provides the amendments necessary when the provisions with regard to remote betting contained in the Finance Act 2011 are commenced.

Section 56 confirms the Budget increases in the rates of Alcohol Products Tax which, when VAT is included, amount to 10 cent on a pint of beer or cider, 10 cent on a measure of spirits and €1 on a bottle of wine, with pro-rata increases for other products.

Section 57 provides for a relief from electricity tax in respect of electricity intended for use in the context of diplomatic relations in the State, in accordance with Article 12.1 (*a*) of Council Directive 2008/118/EC of 16 December 2008 concerning the general arrangements for excise duty and repealing Directive 92/12/EEC.

Section 58 provides for a relief from natural gas carbon tax in respect of natural gas intended for use in the context of diplomatic relations in the State, in accordance with Article 12.1 (*a*) of Council Directive 2008/118/EC of 16 December 2008 concerning the general arrangements for excise duty and repealing Directive 92/12/EEC.

Section 59 provides, in *subsection (1)*, for a number of amendments in preparation for the commencement of solid fuel carbon tax with effect from 1 May 2013.

Paragraph (a) sets out the tax rates applicable from 1 May 2013 that correspond to a charge of €10 per tonne of CO_2 emitted, as announced by the Minister on Budget day.

Paragraph (b) clarifies in further detail what is meant by the term ''supplier''.

Paragraph (c) confirms the change in the rate to €10 per tonne of CO_2 emitted.

Paragraph (d) provides that, where solid fuel is supplied as a raw material for the manufacture of a solid fuel product, solid fuel carbon tax is charged on the first supply in the State of the manufactured product.

Paragraph (e) clarifies that the supplier who is accountable for and liable to pay the tax is required to register with the Revenue Commissioners.

Paragraph (f) provides for a relief from solid fuel carbon tax in respect of solid fuel intended for use in the context of diplomatic relations in the State, in accordance with Article 12.1 (*a*) of Council Directive 2008/118/EC of 16 December 2008 concerning the general arrangements for excise duty and repealing Directive 92/12/EEC.

Subsection (2) confirms the rates of solid fuel carbon tax applicable with effect from 1 May 2014. These correspond to a charge of €20 per tonne of CO_2 emitted, as announced by the Minister on Budget Day.

Section 60 amends section 130 of the Finance Act 1992 to provide interpretation (definitions) of various terms required for vehicle registration tax purposes in the State. The section is amended to delete two redundant definitions (''crew cab'' & ''pick-up'') and also to amend two existing definitions (''conversion'' & ''listed vehicle'').

Section 61 amends section 132 of the Finance Act 1992. The first amendment is to section 132(3)(*d*)(ii), which redefines the criteria

for N1 vehicles to avail of the €200 VRT Rate. The change was effective from 1 January 2013 under Financial Resolution.

The second amendment is to the VRT rates for Category A vehicles as announced in Budget 2013. The change was effective from 1 January 2013 under Financial Resolution.

Section 62 amends section 135C of the Finance Act 1992 to extend the VRT relief for Electric, Hybrid Electric and Flexible fuel vehicles until 31 December 2013, as announced in Budget 2013.

Section 63 amends section 135D of the Finance Act 1992, which provides for the VRT Export Repayment Scheme announced in Budget 2012. This amendment will allow the repayment of VRT to the named vehicle owner on the National Vehicle Driver File.

Section 64 amends section 136 of the Finance Act 1992, by removing subsection 6(b), as the provisions of section 134(11) no longer exist.

PART 3

Value-Added Tax

Section 65 is a definitions section.

Section 66 amends sections 28, 65 and 76 of the Value-Added Tax Consolidation Act 2010 to clarify that a receiver, liquidator or other person exercising a power, who, in the course of carrying on or winding up a business, supplies taxable services (e.g. operates a hotel or makes a taxable letting), is liable for the VAT on those services/rents. These amendments provide that, although the accountable person is deemed to have made the supplies, the receiver/liquidator is required to register, make the return and remit any tax due (a) in relation to those supplies and (b) in relation any adjustment of deductibility under the capital goods scheme (see the amendments to section 64 in section 69 of the Bill).

Section 67 amends section 43 of the Value-Added Tax Consolidation Act 2010, which deals with vouchers, etc. The amendment limits the application of existing rules for supplies of vouchers (e.g. coupons, stamps, telephone cards, vouchers), which are sold to other business persons for re-sale purposes, to domestic sales only. This is an anti-avoidance measure.

Section 68 amends section 59 of the Value-Added Tax Consolidation Act 2010, which deals with deduction for tax borne or paid. The amendment clarifies the definition of qualifying activities as it relates to financial services.

Section 69 amends section 64 of the Value-Added Tax Consolidation Act 2010, which deals with the capital goods scheme. Subsection (9) is amended to clarify the existing conditions whereby a seller may be relieved of the clawback provision in subsection (8). A new subsection (12A) provides for the transfer of the obligations of the capital good owner to a receiver for the duration of the receivership and for the reversion of those obligations to the capital good owner at the end of the receivership period. It also provides for apportionment of liability for payment of tax due and of entitlement to deductibility where a period of receivership commences or ends during a capital goods scheme interval.

Section 70 amends section 80 of the Value-Added Tax Consolidation Act 2010, which deals with tax due on a moneys received basis. Section 80(1)(*b*) of the Value-Added Tax Consolidation Act 2010 allows a taxable person to use the cash basis of accounting for VAT where his or her turnover remains below a set threshold for a period of twelve months. The amendment increases the annual turnover threshold to €1,250,000 in line with the Budget announcement of 5 December 2012.

The amendment has effect from 1 May 2013.

Section 71 amends section 86 of the Value-Added Tax Consolidation Act 2010, which deals with special provisions for tax invoiced by flat-rate farmers. The amendment confirms the Budget adjustment in the farmers' flat-rate addition from 5.2 per cent to 4.8 per cent.

The amendment has effect from 1 January 2013.

Section 72 amends section 120 of the Value-Added Tax Consolidation Act 2010, which deals with Regulations. The amendment provides for the making of regulations relating to evidence of business controls with regard to invoicing.

Section 73 amends Schedules 1 and 3 to the Value-Added Tax Consolidation Act 2010. *Subsection (1)* amends Schedule 1, which lists exempt activities. The amendments clarify the financial services and related agency services included in the list of exempt activities.

The amendments to paragraphs 5 and 11 of Schedule 1 are consequential to the amendments being made in *subsection (2)* and have effect from 1 January 2013.

Subsection (2) amends Schedule 3 to the Value-Added Tax Consolidation Act 2010, which lists goods and services chargeable at the reduced rate. This amendment takes effect from 1 January 2013 and provides that the services threshold for VAT registration applies to the turnover derived by public bodies from the provision of facilities for sporting and physical education activities.

PART 4

Stamp Duties

Section 74 defines the ''Principal Act'' as the Stamp Duties Consolidation Act 1999 for the purposes of Part 4 of the Finance Bill.

Section 75 introduces a number of technical amendments in relation to the stamp duty self-assessment provisions introduced in the Finance Act 2012. The amendments are as follows:

- Section 20 of the Stamp Duties Consolidation Act 1999 is amended to allow Revenue to substitute a new assessment of stamp duty where an earlier assessment is incorrect.
- Section 21 of the Stamp Duties Consolidation Act 1999 is amended to clarify the circumstances and time limits for the making of an appeal against an assessment raised by Revenue.
- Sections 79, 80 and 80A of the Stamp Duties Consolidation Act 1999 are amended to remove the requirement for a statutory declaration or a statement to be furnished in connection with a claim for relief from stamp duty under these sections.

- Section 131 of the Stamp Duties Consolidation Act 1999 is deleted in order to allow a vendor to give an indemnity to a purchaser in relation to a liability to stamp duty.

Section 76 inserts three new sections, sections 31A, 31B and 50A, into the Stamp Duties Consolidation Act 1999 and deletes section 36. It also deletes section 82 of the Finance (No. 2) Act 2008 which contained similar provisions which were never commenced.

The new section 31A provides that a charge to stamp duty will arise in respect of a contract or agreement for the sale of an estate or interest in land in the State where 25 per cent or more of the consideration has been paid under the contract or agreement. The charge will not arise where a stamp duty return is filed with Revenue in respect of a conveyance or transfer of the land within 30 days of the payment of the relevant amount of the consideration. The new section also provides that where stamp duty has been paid in respect of a contract or agreement, a conveyance or transfer made in conformity with the contract or agreement will not be liable to stamp duty and Revenue will either denote the payment of the duty on the conveyance or transfer or transfer the duty to the conveyance or transfer where a stamp duty return has been filed in respect of the conveyance or transfer.

The new section 31B provides that a charge to stamp duty will arise where the holder of an estate or interest in land in the State enters into an agreement with another person under which that other person is allowed to carry out development on the land and 25 per cent or more of the market value of the land is paid to the landowner. The charge will arise within 30 days after the relevant amount has been paid.

The new section 50A provides that an agreement for a lease for more than 35 years will be liable to stamp duty as if it were an actual lease made for the term and the consideration provided for in the agreement where 25 per cent or more of the consideration has been paid.

Section 36 of the Stamp Duties Consolidation Act 1999 is deleted as it is redundant after the introduction of the new section 31A and paragraph (4) of the heading ''Lease'' in Schedule 1 of the Stamp Duties Consolidation Act 1999 is amended to ensure that a lease executed in conformity with an agreement chargeable under the new section 31B, will be liable to a duty of €12.50.

The changes apply to instruments executed on or after 13 February 2013. However, a charge to Stamp Duty will not arise under either section 31A, 31B or 50A of the Stamp Duties Consolidation Act 1999 in circumstances where the instrument is executed on or after 13 February 2013 on foot of a binding contract entered into before that date.

Section 77 amends section 81AA of the Stamp Duties Consolidation Act 1999 to extend the relief from stamp duty on transfers of agricultural land (including farm houses and buildings) to young trained farmers until 31 December 2015.

Section 78 amends section 88(1) of the Stamp Duties Consolidation Act 1999 to provide that an existing exemption from stamp duty on the transfer of units in an investment limited partnership within the meaning of section 739J of the Taxes Consolidation Act 1997 will continue following the removal of investment limited partnerships

from the definition of ''investment undertaking'' in section 739B(1) of the Taxes Consolidation Act 1997.

The section also amends sections 88(2) and 90(3) of the Stamp Duties Consolidation Act 1999 to ensure that the exemptions for the transfer of foreign shares and certain financial services instruments will apply in the case of securitisation transactions.

Section 79 amends section 123B of the Stamp Duties Consolidation Act 1999 which provides for the stamp duty charge on cash, combined and debit cards. Under the Finance Act 2012, an exemption was introduced for the year 2012 in respect of a basic payment account and the purpose of this amendment is to continue the exemption on a permanent basis. Some technical amendments have also been made to the definition of ''basic payment account''. A basic payment account is available to a person who did not hold a card account for the period of three years preceding the opening of the basic payment account and all amounts paid into the account in two consecutive quarters, other than social welfare payments paid by electronic funds transfer, do not exceed €4,500 in each quarter.

Section 80 amends section 125A of the Stamp Duties Consolidation Act 1999 which provides for a stamp duty levy on health insurance contracts. For new contracts entered into and contracts renewed during the period from 1 January 2013 to 30 March 2013, the levy is payable at the rate of €95 for each insured person aged less than 18 years and at the rate of €285 for each insured person aged 18 years or over. For new contracts entered into and contracts renewed after 30 March 2013, the levy is payable at the rate of €100 for each insured person aged less than 18 years with non-advanced cover, at the rate of €120 for each insured person aged less than 18 years with advanced cover, at the rate of €290 for each insured person aged 18 years or over with non-advanced cover and at the rate of €350 for each insured person aged 18 years or over with advanced cover.

PART 5

Capital Acquisitions Tax

Section 81 is an interpretation section. It provides that, in Part 5, the Principal Act means the Capital Acquisitions Tax Consolidation Act 2003.

Section 82 amends Schedule 2 to the Capital Acquisitions Tax Consolidation Act 2003. That Schedule deals with the computation of CAT. The amendment gives effect to the proposals announced in the Budget statement to reduce the Group A tax-free threshold from €250,000 to €225,000, the Group B tax-free threshold from €33,500 to €30,150 and the Group C tax-free threshold from €16,750 to €15,075. The amendment also increases the rate of CAT from 30 per cent to 33 per cent. The amendment applies to gifts and inheritances taken on or after 6 December 2012.

Section 83 amends section 51 of the Capital Acquisitions Tax Consolidation Act 2003. That section provides for the payment of tax and interest on tax. Finance Act 2010 introduced a new 31 October pay and file date for mainstream CAT (Gift and Inheritance Tax) and brought the mainstream CAT pay and file regime into line with Income Tax. Where CAT is paid late, interest now accrues from 1 November to the date of payment. Pre Finance Act 2010, CAT was paid and the CAT Return was filed within 4 months of the

Valuation Date of the gift or inheritance. The 31 October pay and file date does not, however, apply to Discretionary Trust Tax (DTT). The amendment confirms the position that interest on outstanding DTT arises from the Valuation Date of the initial once-off charge to DTT and from the Valuation Date of the annual charges. The amendment applies to inheritances taken by a discretionary trust on or after the passing of the Act.

Section 84 amends section 57 of the Capital Acquisitions Tax Consolidation Act 2003. That section relates to overpayments of tax. The amendment provides that a claim for a repayment of Discretionary Trust Tax must be made within 4 years of the Valuation Date or the date of the payment of the tax (where the tax has been paid within 4 months of the Valuation date). The amendment also provides that a claim for a repayment of any payment made on account of tax is also subject to the 4-year claim limitation period. The amendment applies as respects any claim for repayment made on or after the passing of the Act.

Section 85 amends section 74 of the Capital Acquisitions Tax Consolidation Act 2003. That section provides an exemption from tax for certain policies of assurance on the life of a person where neither the disponer nor the donee or successor are domiciled or ordinarily resident in the State. The amendment extends the exemption from tax to policies known as Capital Redemption Policies issued by life assurance companies where the disponer and the donee or successor are both non-domiciled and non-resident in the State.

Section 86 amends section 75 of the Capital Acquisitions Tax Consolidation Act 2003. That section provides an exemption from tax for certain investment entities. The amendment provides that an existing exemption on the transfer of units in an investment limited partnership in cases where neither the disponer nor the donee or successor are domiciled or ordinarily resident in the State will continue following the removal of investment limited partnerships from the definition of ''investment undertaking'' in section 739B(1) of the Taxes Consolidation Act 1997. The amendment applies to gifts and inheritances taken on or after the passing of the Act.

Section 87 amends section 85 Capital Acquisitions Tax Consolidation Act 2003. That section provides an Inheritance tax exemption, in certain circumstances, on inheritances taken by a child over the age of 21 from an approved retirement fund or from an approved minimum retirement fund. The amendment extends the Inheritance tax exemption to similar inheritances from a vested Personal Retirement Savings Account. The amendment applies to inheritances taken on or after the passing of the Act.

PART 6

Miscellaneous

Section 88 contains a definition of ''Principal Act'' (i.e. the Taxes Consolidation Act 1997) for the purposes of Part 6 of the Bill.

Section 89 makes a number of mainly technical amendments to the new streamlined assessing rules for direct taxes (i.e. income tax, corporation tax and capital gains tax) that were introduced in Part 41A of the Taxes Consolidation Act 1997 by Finance Act 2012. These rules apply to companies whose accounting periods start on or after 1 January 2013 and to individuals for the tax year 2013 and

later tax years. The new rules also provided that a system of full self-assessment applies to direct taxes for those periods and years.

The changes made by this section ensure that definitions and language used in various provisions in Part 41A of the Taxes Consolidation Act 1997 interact more clearly with each other. Changes are also made to clarify the operation of the expression of doubt, amendment of return and appeal provisions. Finally, this section makes technical changes in certain provisions outside of Part 41A to reflect terms, section references and time limits which are provided for in Part 41A.

Section 90 amends Schedule 13 to the Taxes Consolidation Act 1997 in order to update the list of accountable persons who are obliged to operate professional services withholding tax (PSWT). The amendments involve the addition of the names of three bodies and the deletion of the names of five bodies.

The section also clarifies the position regarding the treatment of partnerships for PSWT purposes. This ensures that, where professional services are supplied by a partnership, PSWT deducted from the relevant payments will be apportioned between the partners. Each partner in the partnership will be entitled to a credit or interim refund of the PSWT deducted provided that the partner satisfies the existing conditions in the legislation. Finally, a number of minor technical amendments are made.

Section 91 amends sections 1094 and 1095 of the Taxes Consolidation Act 1997 by adding stamp duty and capital acquisitions tax legislation to the list of Acts to which those sections apply. This will require an applicant for a tax clearance certificate to be compliant in relation to stamp duty and capital acquisitions tax in addition to the existing taxes currently included in the legislation.

Section 92 amends sections 879, 880 and 884 of the Taxes Consolidation Act 1997 which set out what is to be included in a return of income by an individual, a partnership return and the corporation tax return of a company respectively. In the case of an individual or partnership return, the amendment clarifies the ''further particulars'' which may be required on the return, to include such information, accounts and statements as may be required. This is to facilitate the submission of electronic accounts information with those returns via the Revenue On-line Service (ROS).

With regard to the corporation tax return the amendment sets out the financial information which is to be submitted with the return by a non-resident company trading in the State through a branch or agency. This is also to support the eFiling on ROS of this information by the company. The financial information required is the accounts prepared in respect of the branch, agency or company concerned, which contain sufficient information to enable the chargeable profits of the company to be determined.

Section 93 amends section 960E of the Taxes Consolidation Act 1997. That section relates to the collection of tax, the issue of demands for outstanding tax and the issuing of receipts for tax that has been paid. The amendment provides that the Collector-General may issue a demand by electronic means to a person who is registered to deliver a return and pay tax under the Revenue Online System (ROS) and a person who is required to deliver a return and pay tax via ROS in accordance with regulations made by the Revenue Commissioners.

Section 94 amends sections 811, 811A and 817D of the Taxes Consolidation Act 1997 which are concerned with general anti-avoidance, Protective Notifications and Mandatory Disclosure of Certain Transactions, respectively.

Section 811 is amended to remove from the scope of the section Residential Property Tax, which no longer exists, and to include the Universal Social Charge, with effect from 13 February 2013.

Section 811A is amended to delete subsection (1C) so as to ensure that the same ''burden of proof'' applies in determining whether a transaction is a tax avoidance transaction, regardless of whether a Protective Notification has been received or not. The amendment is to take effect in respect of any transaction undertaken or arranged on or after 19 February 2008.

Section 817D is amended to remove from the scope of the section the Income Levy, which no longer exists, and to include the Universal Social Charge, with effect from 13 February 2013.

Section 95 provides for the deletion of section 886(4)(*b*) of the Taxes Consolidation Act 1997 in order to ensure that Ireland can continue to meet its international obligations in regard to the exchange of information with other tax administrations.

Section 96 amends sections 826 and 912A of the Taxes Consolidation Act 1997 which contain provisions relating to the exchange of tax information under Ireland's double taxation agreements, tax information exchange agreements and the Joint Council of Europe/OECD Convention on Mutual Administrative Assistance in Tax Matters. This section makes a technical amendment to section 826(7) of the Taxes Consolidation Act 1997 so that it covers any Protocol to the Convention. This section also enables the Revenue Commissioners to use the provisions of section 912A of the Taxes Consolidation Act 1997 to access information for any Party to the Convention, where that Party is seeking the information to assist in the determination of whether a liability to tax in the jurisdiction of that Party exists or not.

Section 97 makes a number of amendments relating to tax arising from the enactment of the Personal Insolvency Act 2012.

Firstly, it provides that the transfer of property under a Debt Settlement Arrangement or a Personal Insolvency Arrangement to a person to be held in trust for the benefit of creditors will not trigger a balancing event or a clawback and, where rental income arises in respect of such property while it is held by a person under such an arrangement, the debtor will remain chargeable to tax in respect of that rental income.

Secondly, it ensures that any transfer of assets to a personal insolvency practitioner will not be liable to Capital Gains Tax. However, any chargeable gains that accrue to the personal insolvency practitioner will be assessed and charged on that person.

Thirdly, it provides that any benefit arising out of the writing-off of a debt under a Debt Relief Notice or from the writing-off or reduction of a debt under a Debt Settlement Arrangement or a Personal Insolvency Arrangement will not be a gift or an inheritance for CAT purposes.

Finally, the section provides that any Debt Settlement Arrangement or Personal Insolvency Arrangement entered into by

a debtor will provide for the payment to Revenue of any current tax liabilities of the debtor. In addition, it provides for the payment to Revenue of any tax liabilities of the personal insolvency practitioner during the course of such arrangements. Any breach of these requirements by a debtor may result in the Collector-General withdrawing agreement to accept any compromise contained in an arrangement in relation to tax debts.

Section 98 amends section 911 of the Taxes Consolidation Act 1997 to provide that Revenue may authorise a suitably qualified person to inspect any asset in order to establish its value for the purpose of any of the Acts listed in section 911 (the various ''Revenue'' Acts). The section also provides, where the asset is land, that the authorised person may enter on the land for the purposes of valuing it. However, if the asset is the private residence of a taxpayer, an authorised person may only enter the property with the agreement of the taxpayer or, failing such agreement, on foot of an Order from a Judge of the District Court. The section also provides that the cost of any such valuation will be borne by Revenue.

Section 99 amends section 851A of the Taxes Consolidation Act 1997 to ensure that persons other than Revenue officers engaged by Revenue to carry out work relating to the administration of any taxes or duties, are subject to the same confidentiality requirements as Revenue officers. It also provides that any person to whom taxpayer information is disclosed in accordance with the section, is subject to the sanctions contained in the section if that information is used for any purposes, other than that for which it was disclosed.

Section 100 amends the Taxes Consolidation Act 1997, in relation to civil partners, to provide that a maintenance payment made for the support of a child after a separation will not be treated as income in the hands of the adult who has custody of that child, similar to the tax treatment available to married couples.

The section also addresses the previous exclusion of ''deeds of separation'' in relation to the CGT exemption for transfers between separating civil partners. Accordingly, such transfers between separating civil partners will now be exempt for CGT purposes.

In addition, changes to the Capital Acquisitions Tax Consolidation Act 2003, relating to extending the definitions for ''family'' and ''relative'' in civil partnership situations are addressed.

Section 101 amends Parts 1 and 3 of, and inserts a new Part 4 into, Schedule 24A to the Taxes Consolidation Act 1997. This Schedule lists all international tax agreements entered into by Ireland. Part 1 lists all the existing Double Taxation Agreements. Part 3 lists all the Tax Information Exchange Agreements. The new Part 4 lists Agreements relating to the recovery of tax and other matters relating to tax.

Part 1 is amended by adding Egypt, Qatar and Uzbekistan to the list of countries with which the State has entered into a Double Taxation Agreement. Part 1 is also amended by adding a protocol to the existing Double Taxation Agreement with Switzerland.

Part 3 is amended by adding San Marino to the list of countries/territories in Part 3 with which the State has entered into a Tax Information Exchange Agreement. Part 3 is also amended to give effect to the Agreement with the United States of America to Improve Tax Compliance and Provide for Reporting and Exchange of Information concerning Tax Matters.

The new Part 4 lists the Joint Council of Europe/OECD Convention on Mutual Administrative Assistance in Tax Matters which covers exchange of information, recovery of taxes and other matters relating to taxes.

These amendments to Schedule 24A are the final step in the legislative and ratification procedure which will ensure that these Agreements will have the force of law.

Section 102 and *Schedule 3* provide for technical amendments to the—

- Taxes Consolidation Act 1997 (*paragraph 1*),
- Stamp Duties Consolidation Act 1999 (*paragraph 2*), and
- Value-Added Tax Consolidation Act 2010 (*paragraph 3*), and
- Finance Act 1992 (*paragraph 4*).

The amendments for the most part involve the correction (through deletion, amendment or insertion of text) of incorrect references and minor drafting errors. *Paragraph 5* contains the commencement provisions relating to *paragraphs 1* to *4* above.

Section 103 fixes a new annuity for 30 years in respect of estimated borrowing in 2013 for Voted Capital Services in relation to the Capital Services Redemption Account. It also amends the 2012 annuity in the light of the actual amount of capital borrowing in 2012. The CSRA is a sinking fund, given effect by section 22 of the Finance Act 1950, to provide for the repayment of interest and capital on loans to the Government. This is a standard annual provision.

Section 104 deals with the ''care and management'' of taxes and duties.

Section 105 contains the provisions relating to short title, construction and commencement.

An Roinn Airgeadais,
Feabhra, 2013.

Wt. —. 1,286. 2/13. Clondalkin. (35170). Gr. 30-15.