

**Revenue** Cáin agus Custaim na hÉireann
Irish Tax and CustomsOifig na gCoimisinéirí Ioncaim
Caisleán Bhaile Átha Cliath
Baile Átha Cliath 2
Éire

www.revenue.ie

Office of the Revenue Commissioners
Dublin Castle
Dublin 2
IrelandCathaoirleach
Chairman

CRMS 100072/13

Ms. Niamh Maguire,
Committee Secretariat,
Committee of Public Accounts,
Leinster House,
Dublin 2

6 March 2013

Dear Niamh,

I refer to your letter of 26 February 2013. The answers to your queries are as follows:

1. *Charges & Penalties for persons liable for Local Property Tax (LPT) but who choose not to pay.*

A range of penalties and interest charges are provided in the Finance (Local Property Tax) Act 2012. The following appear to be the most relevant to the question:

Section 146 Penalty for failure to deliver a Return

A penalty may apply equal to the amount of LPT that would have been payable had a correct Return been made, subject to a maximum of €3,000.

Section 147 Penalty for false statement, false representation or an incorrect Return

A penalty may apply equal to, the amount of LPT that would have been payable had a false statement or an incorrect Return not been made or, the amount of LPT in respect of which a deferral is claimed, subject to a maximum of €3,000.

Section 149 Interest on overdue Tax

Interest is payable at a per diem rate of 0.0219 per cent on the amount of tax overdue from the date on which the tax is payable, or the last day of the period within which the tax is payable, to the date the tax is paid.

Section 38 Surcharge for late submission of income tax and corporation tax returns

Where a person, liable to pay LPT, who is also a self-assessed income tax payer,





fails to deliver an LPT Return before 31 October in any year, they are liable to a surcharge of 5% of the income tax payable by them for that year, if they file the LPT return by 31 December in that year. A surcharge of 10% of the income tax payable by them for that year applies if they file the LPT return after 31 December in that year. The surcharge cannot exceed the amount of the LPT payable for that year. The provision also applies where the liable person is a company.

In addition, the Finance (Local Property Tax) Act 2012 includes LPT in the taxes to be considered before a tax clearance certificate can issue.

2. The number of petitions, instigated by the Office of the Revenue Commissioners, to have companies wound up in 2012 was 44
3. The Revenue Commissioners commenced an investigation into the operation of the Ansbacher Accounts and the tax affairs of the Irish resident account holders in late 1999.

The Ansbacher Accounts involved a memorandum system of accounts, which included the use of coded sub-accounts, whereby the names of the depositors were concealed while at the same time the individuals could lodge and withdraw funds to and from accounts held nominally for Ansbacher (Cayman). This was a complex and secretive system whereby Irish depositors could have their funds offshore, with no record of their deposits in Ireland and yet have access to their funds in the State.

The investigations and examinations involved the extensive use of legislative powers requiring the production by financial institutions and other third parties of books, records and documentation that were relevant to the liabilities of the account-holders. Advanced investigative computer software was used in collating, interrogating and managing the vast volume of financial documentation concerned. The investigations and examinations identified 289 cases, including some who were very elderly and some deceased.

Of the 289 cases, 280 were finalised as at 31 December 2012. The enquiries in the remaining 9 cases are well advanced and assessments have been entered, where necessary. Payments on account totalling €0.88m have been received in respect of 6 of the 9 remaining cases. The yield from the Ansbacher investigation as at 31 December 2012 is €112.69m from 141 cases. The total yield of €112.69m is comprised of tax paid €50.10m and interest & penalties €62.59m.

There were no prosecutions of any individual in relation to the Ansbacher accounts. The matter of prosecution of any Ansbacher account-holder must be addressed by reference to the then prevailing facts and circumstances as set out below.

An essential requirement for a successful criminal prosecution is original



documents. There were very few original documents available and there was no legal mechanism to compel Cayman entities to produce such documents.

The Ansbacher accounts ran from 1971; the Irish business was finally wound up in the mid 1990s. While the majority of Ansbacher cases passed the 'serious evasion' test to be considered for prosecution, the time elapsed, typically in excess of 10 years, since the alleged offence occurred meant it would not be possible to mount a successful prosecution. Section 1078 (7) of the Taxes Consolidation Act 1997 provides proceedings must be instituted within 10 years from the date of the commission of the offence.


4. The corporation tax receipts for the years 2008 to 2011 inclusive for banks covered by the bank guarantee are:

2011	2010	2009	2008
€2,420,432	€139,405	€4,593,057	€53,903,187

Total losses and capital allowances unused at the end of 2010 was €119 billion. Most of these losses relate to the banking sector. The liquidation of IBRC will see a significant reduction in this figure. For reasons of taxpayer confidentiality I am not in a position to provide a detailed breakdown on the value of trading losses forward available for offset against future profits by the Irish banks due to the limited size of the group.

Finally, I wish to refer to an exchange with Deputy Kieran O'Donnell relating to geo data in which I indicated that it had not been necessary to pay for the data in the context of our preparations for LPT. For completeness, Revenue has previously licensed the GeoDirectory from 2008 for use in our internal business intelligence products for risk, customer profiles and general case-base analysis. The annual licence cost, apart from an initial discount in 2008, is €52,587 plus VAT.

Yours sincerely,


Josephine Feehily
Chairman