



Cathaoirleach
 Chairman

Oifig na gCoimisinéirí Ioncaim
 Caisleán Bhaile Átha Cliath
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 Éire

Office of the Revenue Commissioners
 Dublin Castle
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 Ireland

**Ms. Éilis Fallon,
 Committee Secretariat,
 Committee of Public Accounts,
 Leinster House,
 Dublin 2.**

30 April 2019

Re: Committee meeting of 28 March 2019

Ref: PAC32-I-1392

Dear Ms. Fallon,

I refer to your letter of 11 April 2019.

I am aware from both my own attendance and the attendance of the Tax Appeals Commission (TAC) at the Public Accounts Committee, that the Committee is interested in the effective and efficient administration of the tax appeals system.

As I have previously stated to the Committee, I consider the setting up of the TAC to be one of the most important developments in tax administration over the last decade. In this context, it is important to appreciate that the TAC is a new organisation that inherited a significant backlog of cases awaiting hearing and that it had to develop new processes and procedures that best support delivery of its mandate. The Committee has explored a lot of these issues with the TAC, the Department of Finance and Revenue based on the work of the Comptroller and Audit General (C&AG) and I understand that changes have been and are being made to allay your concerns.

The TAC is, of course, independent of Revenue and is responsible for its interaction with and commitments to the Committee. Specifically, because of the requirement to maintain taxpayer confidentiality in accordance with Section 851A of the Taxes Consolidation Act, 1997, Revenue cannot divulge taxpayer level information as requested by the Committee. While a taxpayer is entitled to appeal a Revenue decision to the TAC, this action does not in any way infringe on the entitlement to confidentiality. Also, while it is the case that an appeal may be heard in open session, the law provides that the taxpayer can opt to have the hearing conducted in private. When the appeal is concluded the TAC publishes its determination in an anonymised format.



While Revenue cannot provide the level of detail requested, the following is a summary of the issues involved. In general, the appeals related to the disallowance of deductions in arriving at taxable income, the restriction of claims for losses carried forward, the disallowance of tax credits, or conclusions by Revenue that income was not declared and taxed accordingly. Also, a tax liability with money owing to Revenue may not necessarily arise in each case following closure of appeals, for example, the taxpayer may have paid the full liability in question notwithstanding the appeal, or the appeal might be in respect of a disallowed claim for a relief from tax or a claim for losses carried forward.

The appeals in question were either withdrawn by the taxpayer or settled by agreement following the submission of additional information and/or discussion with Revenue. Where an appeal case is settled before the determination of the appeal by the TAC, the settlement is confidential like any other settlement agreed between a taxpayer and Revenue, and details can be published only in accordance with section 1086 of the Taxes Consolidation Act, 1997.

Yours sincerely,

Niall Cody,
Chairman.