

Patrick Fannin

From: Paddy O'Keeffe <Paddy.OKeeffe@taxappeals.ie>
Sent: 23 May 2019 17:05
To: Public Accounts Committee
Subject: RE: Response by the Tax Appeals Commission to correspondence received from the Public Accounts Committee on 21 May 2019
Attachments: TAC Response to PAC Query.pdf
Categories: Red Category

Re: Tax Appeals Commission – Vote 10

Dear Ms Fallon,

I refer to your letter (PAC32-I-1441) DATED 21 May 2019, with reference to the PAC Committee meeting dated 16 May 2019) seeking clarification in respect of the bi-monthly update provided by the Tax Appeals Commission on 10 May 2019 regarding the 10 highest-valued appeals on hand with the TAC.

Attached please find an update for the Chairperson and committee members of the Public Accounts Committee, as requested.

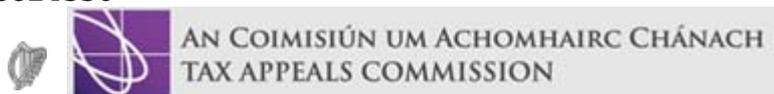
Please let me know if you require the original letter, signed by Commissioner O'Mahony, to be sent to you by post.

Kind regards

Paddy

Paddy O'Keeffe | Tax Appeals Commission |

Fitzwilliam Court, Leeson Close, Dublin 2 D02 YW24 | Email: paddy.okeeffe@taxappeals.ie | Phone: (01) 6624530



From: Public Accounts Committee <PAC@oireachtas.ie>
Sent: Tuesday 21 May 2019 15:18
To: Paddy O'Keeffe <Paddy.OKeeffe@taxappeals.ie>
Subject: Correspondence from the Public Accounts Committee

Dear Mr. O'Mahony,

Please find attached correspondence from the Public Accounts Committee.

Kind regards,

Éilis Fallon

Éilis Fallon | Committee of Public Accounts
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**TAX APPEALS
COMMISSION**

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

22 May 2019

Dear Ms Fallon,

I refer to your letter of yesterday's date (PAC 32-I-1441) seeking clarification of the bi-monthly progress update on the 10 highest-valued appeals on hand in the Tax Appeals Commission (TAC), which was provided to the Committee on 10 May 2019.

The Tax Appeals Commission appeared before the PAC in June 2018, where it was confirmed that the value of appeals on hand at that time amounted to approximately €1.7 billion. By the end of 2018, the quantum of appeals on hand had increased to just under €4 billion. Of this amount, €2.5 billion was comprised in 10 appeals. Five of these 10 appeals, comprising some €2.1 billion of tax in dispute, were received by the TAC in the last week of December 2018. Of the 10 highest-value appeals before the TAC, two appeals with a combined value of €1.67 billion are currently stayed by Court Order and cannot be progressed by the TAC until the stays are lifted.

The "Quantum per appeal" of these 17 appeals is the amount in dispute between the appellant and the Revenue Commissioners in the appeal; it is usually taken from the Notice of Appeal submitted by the Appellant when commencing the appeal process. It is difficult to provide a definitive quantum figure because the original quantum under appeal may be modified post filing of the Notice of Appeal (e.g., where an aspect of the appeal is settled or withdrawn), the parties may disagree in relation to the precise quantum of tax in dispute, or the monetary value of an appeal may not be calculable (e.g., in appeals where the rate of tax is in dispute, appeals in relation to the refusal of Tax Clearance Certificates, or appeals where the quantum in dispute represents a refusal of loss relief or of deductions). A significant number of appeals, in particular corporation tax appeals, relate to appeals against refusals of deductions or refusals of carry forward of loss relief and the quantum in dispute will relate to the amount of the deduction or loss disallowed. Subject to these caveats, as at 20 April 2019 the TAC recorded the quantum under appeal as amounting to approximately €3.7 billion in respect of 3,652 individual appeals.

The following details provide an outline of the increase in quantum submitted to the PAC from March 2019 to May 2019:

- The PAC letter (PAC 32—I-1006) dated 4 July 2018 sought the number and value of all appeals on hand from 2016 and 2017 (excluding legacy appeals) which was compiled as of 10 July 2018 and responded to.



- The PAC letter (PAC32-I-1066) dated 1 October 2018 requested a progress update on the 78 high-value appeals identified over €1 million, with an overall potential value of €878 million.
- The PAC letter (PAC32-I-1116) dated 23 October 2018, including an email clarification dated the same day, requested a bi-monthly progress update on the original 17 high-value appeals identified over €10 million, with an overall potential value of €711 million. The Tax Appeals Commission has provided these updates on 7 November 2018, 8 January 2019 and 13 March 2019 respectively.
- By PAC letter (PAC32-I-1380) dated 3 April 2019, referring to the PAC Committee meeting discussion held on 27 March 2019, the PAC amended its original request dated 23 October 2018 and sought instead bi-monthly progress updates on the 10 highest-valued appeals on hand with the TAC, which was reviewed on 7 May 2019 and responded to on 10 May 2019 respectively.

In relation to the two appeals stayed by Court Order, the High Court imposed a stay on progressing the appeal listed as item no. 8 on 25 February 2019. In relation to the appeal listed as item no. 10, the Appellant provided an update to the TAC in February 2019, advising that the Supreme Court had now heard the Appellant's appeal but had not yet delivered its decision, and that the appeal before the TAC was stayed by Court Order until the conclusion of those proceedings. The TAC cannot proceed with either appeal until the High Court judicial review proceedings and the Supreme Court appeal respectively have been decided. The TAC is not party to or privy to those proceedings, and is not in a position to provide further information in relation to same.

I trust the foregoing provides the clarification sought by the Committee, and please do not hesitate to contact me should you have any queries in relation to same.

Yours sincerely,



MARK O'MAHONY
Accounting Officer

