



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

10 October 2019

Dear Ms Fallon,

I refer to your letter dated 27 September 2019 (PAC 32-I-1551) seeking an information note regarding the ten highest value appeals on hand in the Tax Appeals Commission (TAC). I also refer to the latest bi-monthly progress report provided to the Committee on 9 September 2019.

Sectors and industries

We note that questions were raised by the Committee in relation to the sectors or industries to which the ten highest value appeals relate. We are concerned that identifying the sector or industry involved in respect of such a small number of high value appeals may lead directly or indirectly, to the identification of one or more of the taxpayers involved. Accordingly, while we are anxious to assist the Committee in its work, we consider that a cautious approach to sharing this information is necessitated and we have not included same.

Legislative basis

As regards details of particular sections of legislation in dispute regarding each appeal received, this information is not collated by the TAC at the appeal processing stage, though it will be contained in each determination once issued and published.

The ten highest value appeals, relate to a variety of different areas of law and provisions of tax legislation albeit many of the appeals arise in the context of corporation tax.



Trends

The most effective means of analysing trends is to conduct a review of the determinations published. These determinations are contained in redacted form on our website www.taxappeals.ie. An overview of the determinations is contained in our 2017 and 2018 Annual Reports.

Quantum

Please note that the quantum figures should be regarded as an estimate on the basis that the original quantum of tax under appeal may be modified post filing of the notice of appeal (i.e. where an aspect of the appeal is settled or withdrawn), the parties may disagree in relation to the precise quantum of tax in dispute, or the monetary value of an appeal is not always calculable (e.g. in appeals where the rate of tax is in dispute or where the quantum in dispute represents a refusal of loss relief or of deductions or in appeals in relation to the refusal of Tax Clearance Certificates).

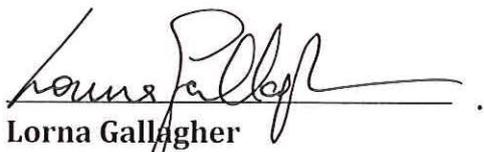
The TAC was established on 21 March 2016. At the end of 2016 the quantum on hand was approximately €1.4 billion. In 2017, the number of appeals received doubled as compared with 2016 (from 901 to 1,747 respectively) resulting in an increase of €600 million, giving rise to a closing balance of approximately €2 billion in respect of quantum.

In 2018, the number of appeals received was on a par with 2017 however, five high-appeals received in the final week of December 2018 increased the overall quantum by €2.1 billion resulting in a closing balance of approximately €4 billion.

To date in 2019, the number of appeals received by the TAC has remained consistent with 2017 and 2018. However, in 2019 the quantum of appeals closed by the TAC has exceeded the quantum of appeals received by the TAC by approximately €300 million, resulting in a current balance of appeals on hand of approximately €3.7 billion.

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,



Lorna Gallagher
Appeal Commissioner

