

DÁIL ÉIREANN

AN COMHCHOISTE UM AIRGEADAS, CAITEACHAS POIBLÍ AGUS ATHCHÓIRIÚ

JOINT COMMITTEE ON FINANCE, PUBLIC EXPENDITURE AND REFORM

Dé Céadaoin, 29 Bealtaine 2013

Wednesday, 29 May 2013

The Joint Committee met at 3.30 p.m.

MEMBERS PRESENT:

Deputy Richard Boyd Barrett,	Senator Thomas Byrne,
Deputy Michael Creed,	Senator Paul Coghlan,
Deputy Pearse Doherty,	Senator Michael D'Arcy,
Deputy Sean Fleming,	Senator Aideen Hayden.
Deputy Simon Harris,	
Deputy Joe Higgins,	
Deputy Heather Humphreys,	
Deputy Kevin Humphreys,	
Deputy Mary Lou McDonald,	
Deputy Michael McGrath,	
Deputy Peter Mathews,	
Deputy Dara Murphy,	
Deputy Aodhán Ó Ríordáin,	
Deputy Kieran O'Donnell,	
Deputy Arthur Spring,	
Deputy Brian Stanley,	
Deputy Billy Timmins,	

DEPUTY LIAM TWOMEY IN THE CHAIR.

The joint committee met in private session until 3.40 p.m.

Property Tax: Discussion with Revenue

Vice Chairman: I welcome Ms Josephine Feehily, Chairman of the Revenue Commissioners. She is accompanied by Mr. Michael Gladney, Collector General, and Ms Vivienne Dempsey, local property tax project manager.

The format of the meeting is that Ms Feehily will make her opening remarks, following which will be a questions and answers session. I remind members, witnesses and those in the public gallery that all mobile telephones must be switched off.

I advise witnesses that, by virtue of section 17(2)(I) of the Defamation Act 2009, they are protected by absolute privilege in respect of their evidence to this committee. However, if they are directed by the committee to cease giving evidence on a particular matter and they continue to do so, they are entitled thereafter to only a qualified privilege in respect of their evidence. They are directed that only evidence connected with the subject matter of these proceedings is to be given and are asked to respect the parliamentary practice to the effect that, where possible, they should not criticise or make charges against any person, persons or entity by name or in such a way as to make him, her or it identifiable. Members are reminded of the long-standing parliamentary ruling of the Chair to the effect that they should not comment on, criticise nor make charges against a person outside the Houses or an official by name or in such a way as to make him or her identifiable.

I invite Ms Feehily to begin.

Ms Josephine Feehily: As my opening statement has been circulated, I will shorten it in my delivery. It is important to remind ourselves of the background. At the end of July of last year, the Government decided to introduce a local property tax, LPT, and that, without prejudice to the policy decisions, this would be collected by Revenue. Together with my Commissioner colleagues, we began to develop an implementation pathway in circumstances in which we were missing key policy decisions, a register, legislation and an IT system.

Nine months later, by the end of March, two LPT Bills had been drafted and enacted, a register had been compiled and an IT system had been built. We were more than half way through the issue of LPT returns in respect of more than 1.66 million properties, the first 25,000 returns had been already filed and the first €1 million had been already transferred to the Exchequer. In other words, we had a fully functioning new tax within nine months.

Since the register was compiled from several databases, we knew that some people would receive letters in error. We flagged this from the beginning publicly and in our letters to customers. We also knew that we would be missing properties. Given the scale, we knew from the start that Revenue did not have the necessary infrastructure to manage the volume of queries that was inevitable with a new tax. We made arrangements to manage it with a mix of Revenue and external resources. We identified risks and put in place contingency plans. We continued to build the register even as the issue of returns was ongoing. We issued LPT returns to just over

1.69 million properties either by post or by way of their Revenue Online Service, ROS, inboxes. We carried out an extensive communications campaign and advised property owners that, if we did not contact them, they still had an obligation to file. We were supported in our communication campaign by the Citizens Information Services. I am grateful for its help.

I will turn to the credit card issue, as the committee asked that I address it specifically. While we certainly had not foreseen it, the systems and people we had in place ensured that we were able to respond quickly after it happened. Late on Thursday, 9 May, senior Revenue officials were informed that a member of the public had contacted Revenue's LPT branch via the LPT helpline and reported that unauthorised access to his credit card had been attempted. He advised that he had recently used the helpline to file his property tax return. Revenue immediately contacted Abtran, the company that operates the LPT helpline on our behalf. Using sophisticated call recording technology, Abtran quickly identified the agent who took the call, confirmed to us early on Friday morning that it had identified the individual and reported the incident to the Garda. Subsequently, Abtran also confirmed that the Garda had met and interviewed the person in question. Given the fact that the issue is still under investigation, it would not be appropriate for me to comment any further.

Given the nature of the breach, we reported the issue to the Data Protection Commissioner on the Friday in question. While we are continuing to work with his office, he has stated publicly that he is satisfied that Revenue acted correctly by reporting the incident and in the way we handled it.

Over the weekend in question, Revenue officials were in constant contact with Abtran. It subsequently transpired that the agent had inappropriately obtained the credit card details of 11 customers in total. We issued a comprehensive public statement on Sunday, 12 May and engaged extensively with the media on Monday, 13 May to reassure the public. I have already circulated copies of the relevant statements to the committee.

Most importantly, I can confirm to the committee that, while the individual in question tried to effect transactions using some of the credit card details, he was not successful and no one suffered a loss. I can also confirm that he was not a member of any payments authorised team within Abtran, had no authority to ask for those details and should not have done so.

Senior Revenue officials have since met Abtran and conducted a full review of data security and personnel vetting arrangements. The company, which is accredited to internationally recognised standards, including certification for payments security and ISO 27001, has on foot of its own internal investigations assured us that the incident was an isolated matter involving a single individual.

Regarding systems and technology, I wish to clarify that no Abtran employee has any access to Revenue's computer systems. These are fully secure and were not impacted on in any way by this incident.

Thankfully, the issue does not seem to have had a negative impact on the number of customers choosing to file their property tax returns by telephone. In fact, one of the reasons we decided to extend the filing deadline until 8 p.m. today was the volume of requests received yesterday to file over the telephone, approximately 8,000.

The outcome of the voluntary phase of the LPT has been successful to date and I am pleased to be able to advise the committee that LPT returns have been filed in respect of 1.52 million

PROPERTY TAX: DISCUSSION WITH REVENUE

properties, a slight increase on the number cited in the information provided to members. Returns are being received this morning at the rate of 2,000 per hour. Next week, when the Department of Finance announces the May Exchequer figures, I expect that it will include more than €100 million of this new tax, transferred by Revenue to the Exchequer. This result is a credit to the work of teams of people in Revenue and, more importantly, to the taxpayers who responded and shows once again that voluntary tax compliance is high in this country. These numbers do not include about 160,000 properties for which local authorities or social housing groups are liable, and for which special payment provisions were made in legislation. Those bodies will be filing by separate arrangements with us, and including these will bring the voluntary compliance figure to 1.68 million properties.

I need to explain at the outset that detailed analysis of the returns will take some time and I hope the committee will appreciate that I do not have many detailed facts and figures today, bearing in mind that more than 400,000 returns have been filed since last Friday evening. We have, however, done some work at a high level this morning and I have some preliminary data which I can share with the committee. For example, 22% of filers filed a paper return, 73% filed online and 5% filed by telephone or through the local tax office network. Provisionally, I can say that approximately 3% opted for deferral or exemption, and this figure is smaller than was originally estimated by the Department of Finance. I can also give some preliminary information on the range of payment options chosen. For example, 46% paid using debit or credit cards, 15% of people have paid by cheque or single debit authority, 27% have opted for direct debit, 5% have opted for voluntary deduction at source and 7% have opted to pay through the external service providers. These percentages were reasonably constant, even when numbers increased.

As I mentioned, the next steps in this project include activating the various payment options chosen, including by sending files to employers and Departments. After that we will be moving into compliance mode and we have already begun to identify non-engagers for follow-up action. We owe no less to all the compliant taxpayers who have voluntarily filed their returns in such large numbers.

Chairman: Each of the main spokespersons will have ten minutes and there will be five minutes for others, as there are many members who would like to contribute.

Deputy Michael McGrath: I welcome Ms Feehily and her colleagues. The high level of compliance that has been achieved confirms that people respect the Revenue Commissioners while fearing it in equal measure. That is borne out by what appears to be a very high rate of compliance before the statutory deadline. The Revenue Commissioners were given a job to do by the Government through the Oireachtas and a good job seems to have been done in implementing the legislation. There is obviously a need for a wider debate about the impact on the economy, disposable income, the property market, etc., although I respect that it is not within Ms Feehily's ambit and I will not be going there today. Ms Feehily has indicated that, taking into account the 160,000 local authority and social housing properties, the level of voluntary compliance is approximately 1.68 million properties. Is that from a total of 1.69 million properties in respect of which correspondence was issued by the Revenue Commissioners?

Ms Josephine Feehily: It is the number we have. We do not have a total because we do not have a register. We started the job without any guide except for a figure used by the Thornhill Group and the Local Government Management Agency of approximately 1.6 million properties. We know we have at least 1.72 million properties on the register and we know there are properties not on the register. We have approximately 100,000 work items concerning people

who have telephoned saying they want a change of ownership, so there is much work to do before we know the total. I do not know the total to compare to the 1.68 million at this point, but whatever the number, compliance is well over 80%. The rest are marginal numbers.

Deputy Michael McGrath: Is there even an estimate?

Ms Josephine Feehily: Experts differ on the exact number, but it is somewhere north of 1.9 million properties. There are all sorts of variables, depending on what is in or out, what different experts are counting as dwellings, etc.

Deputy Michael McGrath: Returns have been filed for approximately 1.7 million properties, taking into account local authority and social housing, and the total figure is in the region of 1.9 million properties or even a bit more. The estimate of compliance at this stage is in excess of 80%. Is that correct?

Ms Josephine Feehily: Yes.

Deputy Michael McGrath: Ms Feehily does not know the number of properties in respect of which enforcement will be required.

Ms Josephine Feehily: We have considered this at a macro level. For example, we know there are approximately 40,000 properties that are stock in trade and almost none of those has had a return filed. They are with receivers and so on but they are exempt, so they are low-risk. A return must be filed at some point but the risk is low. We will not be taking compliance there but we will be phoning the receivers to get lists and returns from them in due course in order to build up the register.

I have a sense of the examples that I will worry about after we do the analysis. There are approximately 100,000 properties that we will have to seriously examine. We know there are many others that are either low-risk, exempt or under a control of one kind or another. The risk group would be less than 5% no matter what the total number is, whether that is 1.9 million properties or 1.95 million properties.

Deputy Michael McGrath: Ms Feehily has indicated that the May Exchequer returns will include a figure in excess of €100 million which relates to those who have already paid at this stage. Others will pay on 21 July. Is there an estimate of the amount paid and pledged at this stage for the total returns?

Ms Josephine Feehily: The total amount pledged is more difficult for us to get because the issue is in flux. We are still getting returns and we had 400,000 over the weekend. It is easy to see what has been paid as that goes to the bank, but the rest must be sliced, diced and examined. I have no reason to believe the estimate of €250 million will not be achieved.

Deputy Michael McGrath: The total is not yet categorised into bands and added up.

Ms Josephine Feehily: There is much work to do. The volumes have been so high in the filing and telephoning activities that we have put our resources into those actions. We will do other work next week.

Deputy Michael McGrath: On a related point - I realise Ms Feehily may not yet have this level of detail, although there was a survey published during the week by AA Insurance - can we get a feel for the extent to which people accepted the valuation guidance given by the Revenue Commissioners or how they revised it downwards or upwards? Is there any indication of the

percentage of people who accepted the valuation or who filed higher or lower values for their properties?

Ms Josephine Feehily: I must give the party speech. We did not value properties, as we do not know people's properties. That has been said many times and it must be repeated, because there is a narrative that is confusing people, particularly our telephone callers. It is a self-assessment tax under which each person determines the value of his or her property. We issued an estimate that is only necessary for the people for whom there will be enforcement. The only role of the estimate is in default of a return. Having said that, I will say that indicative value bands were used on our online map and on the PDF documents sent to various offices, which facilitated people in looking up local indicative average values and, by definition, approximately half of them are right. That is what the trends are showing. Approximately half are in line with our valuation and the other half are changing the valuations. Broadly speaking, approximately 11% to 15% are going up and the rest are going down. These are crude indicative numbers and we have not done the slicing and dicing on them. With average indicative values, one would expect half of them to be right, and that is the way it is looking. Members should not hold me to those numbers until we do an analysis.

Deputy Michael McGrath: Ms Feehily touched on the next steps in her opening remarks. She has extensive powers to take enforcement action against people who did not file returns, and the Revenue Commissioners intend to move on that relatively quickly. The options include taking the money from people's pay and ultimately from their bank accounts or any social welfare payments they receive. Is there a hierarchy? Where does Revenue start? Does Revenue take it all? Does Revenue take a fraction of what it believes is due? How will the process work?

Ms Josephine Feehily: We have decided to begin the process by identifying the non-engagers who are in the PAYE sector, but we will proceed very carefully and in stages. They will get a reminder letter, which we will begin to process in the next ten days or so, and then they will be given a very short time window to file online. After that, we will send a request to their employers to begin deductions. They will be spread over the rest of the year, in the same way as other PAYE payments. If we start the scheme quickly the deductions can be spread over six months but it is more likely to be spread over five months. The question of accessing bank accounts and so on arises way further down the road. The PAYE sector is the first group that will be examined and we will then move on to look at other non-engagers. We will also send them reminders.

Regarding the self-employed, the first barrier they will come up against is if they seek a tax clearance certificate any time after 1 July, which is the payment date. If they have not paid, they will not get a tax clearance certificate. The issue of enforcing debt recovery from the self-employed, which would tend to happen via the bank account route, will come after appropriate warnings and engagement, but that is further down the road. We have a backstop provision for the self-employed. If they have not paid their LPT by the time they file their income tax returns, we will impose a surcharge. That should provide an incentive at that point.

There are no penalties in any of that. I have simply outlined how we will collect the tax. We have not built in interest or penalties; we are simply collecting the tax.

Deputy Michael McGrath: I am sure Ms Feehily has some views on improvements and changes that could be made to legislation. Obviously, she must work within a statutory framework and I do not expect her to go into any detail today. Will she give feedback to the Department of Finance and the Minister on changes that could be made to improve the process? An

issue that jumps out straight away is the fact that people will be faced with a double payment by 1 January. I know they can plan for that over the year by way of a direct debit, but the liability date for 2014 is 1 January.

Ms Josephine Feehily: Yes.

Deputy Michael McGrath: The date will present a major problem for people. Will Ms Feehily give the Minister feedback on that type of issue, which is within the confines of the Act?

Ms Josephine Feehily: There are two parts to the Deputy's question. We give ongoing feedback to the Department of Finance about administrative complications that could be smoothed out whether it is with this or any other tax. I see the property tax as being settled until 2016, but that is not for me to say. That is how Revenue is approaching it.

The payment date of 1 January 2014 was chosen to enable people to spread the payment over 12 months. I discussed the date with Deputy Fleming, who has left, in another context at the meeting of the Committee of Public Accounts recently. If we had made the payment date 1 March, people would have to spread the payment over nine months. That is why we picked January so that people can elect, before Christmas, to pay over 12 equal months or 52 equal weeks if they are paid weekly.

The legislation says what it says but we can, within reason, manage and schedule payment dates. Every year Revenue grants a concession when people file their tax returns online. Within our own care and management, we can make some sensible arrangements around the margins of payment dates. We chose the January date specifically because we can send out returns to people before the end of the year and they can pick 12 equal months.

Deputy Michael McGrath: Is it March if they opt for a single debit authority?

Ms Josephine Feehily: It is March for a single debit authority.

Deputy Michael McGrath: That is when the money would come out?

Ms Josephine Feehily: Yes.

Vice Chairman: Thank you. I call Deputy Kieran O'Donnell.

Deputy Kieran O'Donnell: I wish to defer for a minute to Senator Paul Coghlan.

Senator Paul Coghlan: I welcome the Chairman of the Revenue Commissioners and her colleagues. My question is on VRT. How much money does the State refund for VRT rebates on the export of used cars? A large number of used cars are exported from Ireland weekly. We have all seen the advertisements stating "we buy used cars for cash". It is a lucrative business. How much does the State pay in rebates? Are the cars roadworthy and where are they being re-employed? What is their value and what is the average cost of a rebate? Does Revenue suspect that the scheme has been designed to take money out of the State? I am half suspicious that it is a scam.

Ms Josephine Feehily: I have no data.

Vice Chairman: The Senator's question was not scheduled to be on the today's agenda.

Senator Paul Coghlan: I know, and that is why I said I had one question.

Deputy Kieran O'Donnell: Perhaps Revenue can supply a written response.

Vice Chairman: Does Ms Feehily wish to make a brief comment? Perhaps Revenue can supply the information to the Clerk of the Committee.

Ms Josephine Feehily: I am happy to do so. I have no idea what the rebate is but it is very small. It is a new scheme so the amount is very small and tightly managed. All I have heard are complaints because there is an administration fee attached to it. I received a complaint that we had made the scheme too hard. That is as much as I can tell the Senator because it is a new scheme. I am happy to write to the clerk, but the answer will be that the sum is very small.

Senator Paul Coghlan: I appreciate that and I thank Ms Feehily. I also thank the Vice Chairman for his assistance.

Deputy Kieran O'Donnell: I welcome Ms Feehily and her colleagues. Regarding the payment option figures she gave earlier, did Ms Feehily state that 46% paid using debit-credit cards, 15% paid by cheque-single debit authority, 27% opted for direct debit, 5% opted for voluntary deduction at source and 7% opted to pay through an external service provider such as An Post. Are those figures correct?

Ms Josephine Feehily: Yes.

Deputy Kieran O'Donnell: Am I correct that 61% of people will have paid upfront by the end of July, with the 46% who opted for direct debits to apply after 21 July and 15% who paid by cheque?

Ms Josephine Feehily: Yes, the Deputy has correctly added the figures for cheques and the single debit authority.

Deputy Kieran O'Donnell: How much money does Revenue expect to receive from the property tax by the end of July? Does Ms Feehily have a cash profile?

Ms Josephine Feehily: I will have, but I do not have it now.

Deputy Kieran O'Donnell: That would appear to be quite a high figure. It would not have been the expected figure.

Ms Josephine Feehily: No. The profile that was prepared for this tax, which was published on the Department of Finance's website, began in July. We already had €1 million in March, €22 million in April and at the end of May it will be €100 million, or something like that figure. The Deputy is correct. There will have to be a new profile when we have analysed the other amounts. My colleague has just pointed out to me that the amount is possibly higher because some of the 27% direct debits are also single debit authorities. There is probably more, so by the end of July we should have a lot of the money.

Deputy Kieran O'Donnell: That is the point I am trying to make. Will around 70% of people have paid their full amount of property tax by the end of July?

Ms Josephine Feehily: Based on all of the caveats that I mentioned earlier that we are still analysing, the numbers suggest that it will be somewhere between 65% and 70%.

Deputy Kieran O'Donnell: Revenue anticipates that approximately 1.9 million or 2 million properties will be assessable. To date, 1.7 million properties have complied. Am I cor-

rect that 200,000 properties have not complied and half of them are not on the register? Some 100,000 are on the register but have not yet complied. The figure may change. What percentage of people paid over the past number of days? Payments are still being made because the deadline is 8 p.m. tonight. Will the deadline be extended again?

Ms Josephine Feehily: Since approximately 4 p.m. on Friday, 400,000 returns have been filed. Returns were being filed online at a rate of 10,000 an hour yesterday afternoon when we decided to extend the deadline and this morning were running at 2,000 an hour. A colossal proportion of the total has come in in the past few days, which is probably to be expected given our reaction to deadlines generally. It is the same with the online filing for income tax.

Deputy Kieran O'Donnell: I know that only too well.

Ms Josephine Feehily: We cannot really extend the deadline again, and I will tell the Deputy why. Notwithstanding the fact I have been surprised by how many people paid upfront, we have offered all of the payment options, including scheduled payments on a voluntary basis from people's salary and direct debits. We have to set them up and to set them up, we have to prepare files for employers during June. To do that properly, we have to do some work and computer runs at the weekend and then we have to prepare files for employers, so extending it again is not really an option.

As I said in response to Deputy McGrath, for the cohort we decide to focus on first in regard to compliance, we will send them a reminder letter. If they get in quickly, they will not be late.

Deputy Kieran O'Donnell: What about the people who have been compliant and where there are properties which have not been assessed? Will Ms Feehily indicate the number of people who paid but who were not on the register?

Ms Josephine Feehily: I have a number but I have to put 16 different caveats on it. I am sorry about that but that is where we are in the project. Two days ago, approximately 75,000 cases had filed using the "I don't have a property PIN tab". The problem about that is that some of them had just lost the form. We have known this from our telephone filing in the past few days. Some of those were on our register.

The Collector-General has approximately 150,000 work items to work through. Some of those are people who filed on the basis that they could not find the form. They filed online and they are on our register, but some are new to our register. Those are the numbers I have but I am not sure what they tell me other than what we know that between the 75,000 and the 150,000 items which Mr. Gladney and his staff must work through, we are quite satisfied that we will get approximately another 100,000 on to the register, which is why I said I saw 100,000 as being at risk.

Deputy Kieran O'Donnell: What procedures will Ms Feehily adopt to get to that 100,000?

Ms Josephine Feehily: Is that the 100,000 about which we do not know ?

Deputy Kieran O'Donnell: Yes.

Ms Josephine Feehily: We had to go into what are called code trees quite early for this project before we started issuing - building the register. Since then we have additional databases from utility companies. We were not in a position to make full use of them before March because we needed legislation to get them and we got them a bit late. We have new databases

coming on from utility companies and we will be working with the new water board because it will be identifying properties. The Local Government Management Agency will send us a refresh file in July. That is at least three new data sources we have not yet tapped. If the post code project continues, it will be a Godsend because our real problem with this project has been rural housing where there is no precise address. After that, ultimately, no property can be transferred or disposed of without getting a clearance. We will get there.

Deputy Kieran O'Donnell: I have one or two housekeeping issues. In 2014 what will be the process for people filing returns? Will it be the same process where Revenue writes to them and they file in the normal way?

Ms Josephine Feehily: I am not sure, and I am not giving the Deputy a smart answer. The people who paid in full will have to be written to again in the context of making another return for next year and so on. We will probably provide an opportunity for other people to continue their direct debt and to continue the deduction from salary and only to come to us in exceptional circumstances. The Deputy should take all this as "probably". We had to get through this and learn from it. Now we have to figure how to do it in the second year.

Deputy Kieran O'Donnell: Some older people who came to us got forms with incorrect addresses or whatever. They wrote to Revenue saying they wanted them changed. They panicked in the past couple of days when Revenue had not come back to them. Many of them have filed online. Can we take it that can be rectified? It is a concern. Some elderly people were waiting for the letter from Revenue and some may not have filed. When looking at the other properties, Revenue should operate in the spirit of people looking to be compliant. There are such cases and one can see that from the level of compliance overall.

Ms Josephine Feehily: There is no question about that in the case of anybody who wants, and has tried, to be compliant and who has written to the Collector-General, Mr. Gladney. There are a lot of them. They will all be worked through. Before we take any compliance action against people, we will make sure there is not a piece of paper from them in the Collector-General's office.

Deputy Pearse Doherty: I welcome the witnesses. It would be appropriate if, at the end of this discussion, there was a statement from the Revenue on the allegations from the US Senate about Apple and Revenue and the special tax arrangements. Without diverging from the subject under discussion but given that it is in the public interest and all over the media, this is an opportunity for a brief. The committee will consider this on a wider scale at a later stage but it would be appropriate at the end of the meeting.

I do not want to rehash the old ground or go into the issues around the figures. The CSO's estimate of permanent dwelling houses in this State is probably the most accurate. The CSO's 2011 report is handy for Revenue because it states "It is a fact there are 1,994,845 permanent dwelling houses in the State" and it breaks it down into how many are holiday homes and so on. I take Ms Feehily's point that some of those may be involved in trade or be exempt. Mobile homes or demountables are excluded from those figures. These would be citizens who would register their own properties. Returns have not been made in the case of almost 300,000 dwellings. How will Revenue continue to focus in on the 100,000? What will happen to the other figure? The census is the most accurate version of what is there but there are other sources also.

Ms Josephine Feehily: Obviously, we have looked at that. The problem is that its definition is not the same as ours, or the definition in legislation. For example, it counts bed-sits but

we do not. They are not liable. There were 230,000 vacant properties on census night, so one is down to enumerators making decisions about what they were and what they were not. A significant number of people classified themselves as living in a property rent free. We do not know if they are liable or someone else is the owner. I am not in any way disagreeing. Experts differ but I have no problem accepting that the number is somewhere north of 1.9 million. It could be 1.95 million. That is our take on that issue and we have been working with the CSO to ensure that we fully understood the data it had and what did not apply to us.

To return to what I said earlier when I was discussing the numbers with Deputy McGrath, whatever the number is, we have a compliance rate of over 80%. There is no other way to look at this. Whether it is 1.9 million or 2 million, we have a very high compliance rate. For me that is really important, because we do not like - despite what people might think - to be in the enforcement business. We much prefer to be dealing with voluntary compliance. We will have a clearer picture when we get the full schedules from the local authorities and so forth and when we get whatever number of returns that are filed tonight. As I said, we have about 40,000 stock-in-trade. The Collector General has about 150,000 work items, some of which will be people who actually filed a return on the basis that they did not have a property ID on paper. So that is why I am saying I think we have another considerable proportion of that under control. I only see a risky number of approximately 100,000. That is my logic. We have 1.72 million properties on the register. We have a different 1.72 million that are voluntarily compliant. It is unfortunate that the numbers are the same, which makes it somewhat confusing. If we take the register that we have of properties that we know or think we know, and add the local authorities to that, we get to 1.88 million. Therefore the gap, no matter how one cuts it and even if the census is absolutely accurate, is not much more than the 100,000 that I mentioned.

Deputy Pearse Doherty: The figure for deferrals and exemptions is 3%. The Government estimated that there would be a 15% deferral rate when it announced this tax and assumed an income of €500 million in a full year based on a rate of deferrals of 15%. Based on the calculations presented to this committee by Ms Feehily, with a 97% compliance rate or a 3% deferral rate, the tax would yield an additional €70 million euro. I ask Ms Feehily to comment on that. Secondly-----

Ms Josephine Feehily: Seven zero?

Deputy Pearse Doherty: Yes, €70 million - seven zero. The Government suggested a 15% deferral rate but we now know that the rate is only 3%. What could potentially offset that is the return of forms with lower valuations than the Revenue Commissioners' estimate. Does Ms Feehily have any indication as to the percentage of returns with a lower band rating than the one proposed by the Revenue Commissioners?

Ms Josephine Feehily: Just to get into the numbers for a second, I think the 15% estimated by the Department of Finance was for exemptions and deferrals, which is why I presented them together. I am not comfortable that it will stay as low as 3% because of all of the work items we have to work through. I want to put extra caveats on all of these numbers. For example, when we get the social housing numbers, we may discover issues there. We also know, for example, that the stock-in-trade properties, numbering around 40,000, are all exempt. That proportion will grow a bit and I wish to make that very clear. I would not be adding these figures too precisely at this point and I have tried to signal that all along.

There are a couple of other issues that must be considered when one is thinking about the money. The Finance (Local Property Tax) (Amendment) Act allowed local authorities to defer

payment until next year. That could affect the money. They may choose to pay it this year and we are in discussions with them on that issue but the legislation allows them not to pay this year's money until next year. In that context, I do not know if there will be an extra €70 million this year.

When I was discussing the estimates with Deputy McGrath earlier, again with 16 caveats all round them, I said that about 35% of returns were lower than the Revenue estimate, about 15% were higher and the remainder were the same. That is what one would expect in an average situation.

Deputy Pearse Doherty: The Revenue Commissioners' figure for exemptions and deferrals is 3%. My understanding is that in the budget book that was presented with the figures for the tax take for this year and next, the 15% figure was based on deferrals only and did not include exemptions.

Ms Josephine Feehily: Then I am open to correction. I am sorry about that.

Deputy Pearse Doherty: That is fine. The 3% figure presented by Ms Feehily represents both deferrals and exemptions. Is there a breakdown available for that?

Ms Josephine Feehily: It is about 50-50 but it keeps changing, which is why I am counting them together for the moment.

Deputy Pearse Doherty: Ms Feehily said that people who receive a reminder letter and comply within an appropriate period will not be deemed late. If a self-employed person requiring a tax clearance certificate who has missed the deadline set in legislation gets a reminder letter and then complies, will he or she then be deemed to be in compliance with the legislation?

Ms Josephine Feehily: Yes.

Deputy Pearse Doherty: If a self-employed person does not comply with the reminder letter and has the tax deducted from his or her bank account, at what point and through what process can that individual become tax compliant?

Ms Josephine Feehily: On the point about tax clearance, we operate in the same way with all tax clearance issues. When people are refused a tax clearance certificate or are at risk of being refused, they always get an opportunity to put their affairs in order before we say "No". I am sure the Deputy is aware of that.

On the question of when a person becomes compliant, the process will be that the LPT will go onto his or her debt file, the same as all other taxes due. It will be collected in exactly the same fashion as all other outstanding taxes. The chances are that if a person owes LPT, it will be a small amount relative to taxes such as income tax or VAT or PAYE taxes, if he or she has employees. It will all become part of that person's tax debt and will be managed in the same way as we manage tax debt generally. The person will receive warning letters and will be invited to come in. It will be subject to all of the usual arrangements, including instalment arrangements. It will be treated as part of the individual's tax debt.

Deputy Pearse Doherty: My key question concerns a self-employed person or business person who requires a tax clearance certificate. After the LPT is deducted at source by the Revenue Commissioners, the person is still not tax-compliant and will not receive a tax clearance certificate from the Revenue Commissioners until he or she has filed a return. Can Ms Feehily

outline how the individual can do that?

Ms Josephine Feehily: He or she simply fills in a form or files the return online. It is the same as for any other tax.

Deputy Pearse Doherty: A nil return?

Ms Josephine Feehily: It cannot be a nil return. The person must self-assess the value of his or her property. The return is not complete unless the individual self-assesses the value of the property. The individual will not have to pay if the self-assessment is the same as the amount estimated by Revenue. The person will have a nil payment but will not be making a nil return.

Deputy Pearse Doherty: The facility does not exist online for someone to do that at this point in time.

Ms Josephine Feehily: No, it does not.

Deputy Pearse Doherty: Is the Revenue Commissioners planning to create a system to allow for that?

Ms Josephine Feehily: Yes.

Vice Chairman: Deputy Doherty's time is up.

Deputy Pearse Doherty: I just have one final, brief question. I ask Ms Feehily to examine two issues. The first is the household charge that will be pursued by the Revenue Commissioners from 1 July and the second is the non-principal private residence charge, which will not exist from 2014 but which has been collected by the Department of the Environment, Community and Local Government up to now. What is the process involved in terms of those who are tax-compliant *vis-à-vis* the LPT but who, not having paid the household charge, will be non-tax-compliant from 1 July?

Ms Josephine Feehily: Sometime after 1 July the Local Government Management Agency will give us a file containing a list of those who have paid the household charge. We will compare that with our file at that point. The gap will be obvious and we will then have some people who are LPT-compliant but not household-charge-compliant. We will have to contact those people and they will have to pay us €200 additional LPT. I do not see this happening until we have our own compliance campaign under way on the LPT. That is our first priority. The household charge will come later. It is not going away but as far as I am concerned I need to finish this first. We need to identify those who have not engaged with us at all on the local property tax before we chase household charge arrears. It will be later in the process. There will be an opportunity for people to pay. As I stated, if people do not engage it will go on as a debt, at which stage it will be a local property tax and not a household charge. It will be treated the same as any other tax debt and we will collect it in the same manner as we collect local property tax or any other debts owed.

Deputy Pearse Doherty: I do not think the Revenue Commissioners have any role whatsoever in the non-principal private residence, NPPR, tax. Will the Revenue Commissioners share data with the Department of the Environment, Heritage and Local Government?

Ms Josephine Feehily: We have received a file on the non-principal private residence tax in the past and we will receive an up-to-date file from the Department as the year goes on. We

also receive a file from the Private Residential Tenancies Board on landlords.

Deputy Arthur Spring: It is worth putting on the record that none of us wants to be here at a time of economic crisis discussing the introduction of property taxes. It would be much more appropriate to do so in a more economically stable time. How much money was the State able to generate in the previous tax year from the household charge? Have the Revenue Commissioners made any comparison and contrast between it and what will be generated from property taxes?

Ms Josephine Feehily: I am sure it has been done but I do not have the information. It was not relevant for me to know how much. We examined compliance rates. We certainly have files on who has paid and who has not and compliance rates have been increasing, but the comparison the Deputy asked about is not valid because the base is different. The household charge had waivers for certain categories and the property tax does not.

Deputy Arthur Spring: With regard to the overall compression in the economy it is very relevant. During the boom years, or the false times of the Celtic tiger, how much money did Revenue generate from property-related taxes such as capital gains tax and stamp duty in comparison to what it projects will be made from property taxes now?

Ms Josephine Feehily: The property tax target is €250 million, which is tiny.

Deputy Arthur Spring: For half a year.

Ms Josephine Feehily: It is tiny for half a year compared to others. I may have a historical figure to hand. I can give stamp duty figures which, by definition, are property related.

Deputy Arthur Spring: They include shares.

Ms Josephine Feehily: The stamp duty yield in 2007 was approximately €3 billion.

Deputy Arthur Spring: What is it down to now?

Ms Josephine Feehily: Last year it was approximately €1.4 billion.

Deputy Arthur Spring: A huge decrease.

Ms Josephine Feehily: Is this information helpful?

Deputy Arthur Spring: It is because local authorities are being told people paying the property tax are of the opinion it will provide more street lighting, look after roads, lead to more planting of flowers and shrubbery and the provision of services in the locality. The reality is there is a shortfall in the revenue the country is generating and this will plug the hole which exists as a result of the decrease in property-related taxes such as stamp duty and capital gains tax.

The purpose of the tax is to retain the services which exist at present and long-term wise it is a more sustainable model, so when the property market gets to a level of 12% to 15% of a normal economy we will have additional taxes and we can look at how to redistribute them, such as through a reduction in property taxes or providing additional income for local authorities which can then provide additional services. The message has gone out, probably in an unfair fashion, that this will increase services in local authorities, when more realistically we are only shoring up a gap left as result of the collapse of what was a false economy. The stamp duty figures quoted show a reduction from approximately €3 billion to €1.4 billion. We have huge holes in

revenue which we need to shore up.

Ms Josephine Feehily: It reflects the headline trend. Taking the same years, the net revenue collected in 2007 was almost €57 billion and the net revenue collected last year was almost €44 billion. Whether one takes stamp duty or anything else, the trend line is downwards. To the extent that revenues increased last year and the year before by reference to 2010 it was policy driven and not buoyancy driven.

Deputy Arthur Spring: Property taxes are down more substantially than taxation in other areas.

Ms Josephine Feehily: There is absolutely no doubt about that. The entire construction sector is down.

Deputy Arthur Spring: Ms Feehily pointed out exemptions to the household charge could be implemented by local authorities. I have dealt with people on a local basis who have come to me with huge problems, including medical problems and the stress of financial strain. If penalties are to be implemented immediately, is there a way to do so in a compassionate manner so Revenue can tell an individual it understands he or she had circumstances which did not allow him or her to deal with the tax? Will penalising such people push them further over the edge? What is Revenue's ability to deal with individuals in exceptional circumstances?

Ms Josephine Feehily: My colleague has just given me a figure which I did not have. A total of 1.2 million properties paid €100 each on the household charge which amounts to €120 million. This does not take into account any interest added.

To answer the Deputy's question on penalties, I do not see us rushing to penalise anybody. We will initially engage with people. If somebody has not engaged with us at all and has not sent back a return, I would ask them whether they are familiar with the range of deferral options available. Deferral options do not necessarily mean deferral for ever. People can defer because of a temporary problem and pick it up next year. A specific provision was introduced in the amending Act this year for sudden, unexplained and unexpected financial loss where somebody had planned to pay the tax but something happened. It is a hardship deferral. It involves speaking to us and telling us about circumstances.

Deputy Arthur Spring: In some circumstances where people are not able to deal with the situation at this point in time, will there be consideration and exceptions when they come back to it in two or three months time?

Ms Josephine Feehily: There will always be consideration, but if people do not come to us at all we will start to move on those in the PAYE sector because they are non-engagers. It is more important that they get in touch and engage with us and explain their issues and we will see what we can do.

Deputy Arthur Spring: This is encouraging because to date many local authorities have shown less flexibility than that described by Ms Feehily.

Deputy Joe Higgins: I do not know whether Ms Feehily will consider this interaction as me being an engager.

Deputy Michael Creed: Is the Deputy non-compliant?

Deputy Joe Higgins: We know Revenue does not comment on individual cases.

This is the first time I have heard an authoritative person from Revenue agree the census figure of 1.99 million homes should have been the base line from the beginning. Revenue insisted the total number of homes was 1.66 million. Was this for propaganda purposes? As Ms Feehily is aware, there is a great deal of anger and resentment about this tax. Lower figures would look better if the estimate were low to begin with.

Ms Josephine Feehily: Absolutely not. I hope I explained earlier when speaking to other Deputies that we started without a register. We never indicated that we knew the size of the property tax base. We have never put out a number because we were building the register from scratch. What we did say, and I said it myself when we launched the tax, was that we were writing in respect of 1.66 million properties. That was what we knew then. These were individual private citizens. It was always the case that the local authorities and social housing groups would have had to have been added to that number.

We also knew our register was somewhere north of 1.8 million, whatever that adds up to. We always knew we were in that territory. That was from taking our databases and the various databases I mentioned earlier. We never indicated what we saw as the end number because we simply did not know. What we said throughout was that we were writing in respect of 1.66 million properties. We were not writing to local authorities, for which we have another process. As time went on, we added another 30,000 to the 1.66 million, which means we eventually wrote in respect of 1.69 million properties. In addition, there are 160,000 properties covered by the local authorities or social housing associations. We have always been building up the number. Even in my earlier exchange, I stated I am still not sure what is the final base for this tax. It may be 1.99 million or 1.95 million - it is somewhere in that region but I do not know the exact figure.

Deputy Joe Higgins: When one subtracts 160,000 local authority and voluntary housing association houses from the census figure, one gets 1.83 million. That should have been the figure used at the beginning of the process.

To clarify a matter relating to the legislation, there are slightly fewer than 2 million homes. Is every single home owner and home obliged to be registered, even those who are exempt from the charge?

Ms Josephine Feehily: They are obliged in the legislation to make a return and claim the exemption, where that applies.

Deputy Joe Higgins: There is a description in the legislation of a relevant residential property. The legislation states that, for the purposes of the Act, certain categories shall not be regarded as relevant residential properties. Are the owners of such properties obliged to register?

Ms Josephine Feehily: No, if they are not relevant, they are not obliged to register. This links in to my doubt about the figure of 1.99 million. Our definition and the definition used to arrive at the figure of 1.99 million are somewhat different. Bedsits, which are not relevant properties for the local property tax, are the easiest example.

Deputy Joe Higgins: One of the categories that is not relevant in the legislation is homes that were bought this year. The guide from Revenue states that while these properties are exempt, the owners are still required to complete and submit a return. Will Ms Feehily clarify this matter?

Ms Josephine Feehily: There are two categories, one of which is relevant properties that are in scope. The properties to which the Deputy refers are in scope but they are exempt. If

one's property is in scope of the tax, the owner makes a return and claims one of the exemptions by ticking a box, which are listed from A to M. This will allow us to collect data that will enable me to be more informative in future. There are properties that are out of scope. The category that comes to mind is bedsits, although I am sure there are a couple of others. This is part of the reason for the many different views on the total size of the property tax base.

Deputy Joe Higgins: I must move on for reasons of time. Does Ms Feehily know how many returns were sent to the wrong person and returned to Revenue with a statement from the recipient indicating that he or she is not the liable person?

Ms Josephine Feehily: No, I do not know the answer. As I stated, we have well over 150,000 items to work through. I am aware, however, that more than 30,000 documents were sent to the wrong address and returned by the post office. We are reissuing those.

Deputy Joe Higgins: Ms Feehily referred to voluntary tax compliance, a term she repeated a number of times. I put it to her that this is not a fair assessment of the position as a large number of people involuntarily registered with Revenue. There is a deep resentment at this tax, which is considered to be part of the bailout by ordinary people of bondholders and bankers and has created considerable hardship, fear and nervousness. The Government has given Revenue draconian weapons to frighten people into registration. I put it to Ms Feehily, therefore, that it is not correct to repeatedly describe this as voluntary tax compliance.

Ms Josephine Feehily: From my point of view, when we write to people or place advertisements announcing a new self-assessment tax and indicating that people must file a return before a certain date and they do that before we start to issue reminders or engage in enforcement, that is, by our definition, voluntary compliance. It is the same definition we use for VAT, self-assessed income tax filers and anybody else who is filing a self-assessed tax return. This term refers to returns received by the deadline without Revenue having to engage in any kind of compliance interventions. Until now, all we have done is issue returns, conduct a communications campaign and remind people of deadlines. We have not taken any compliance action. That is our definition and I am sorry if that is not how the Deputy sees it. I am afraid, however, that in Revenue authority terms, this is voluntary compliance.

Deputy Joe Higgins: I note from a newspaper report or a departmental circular that Ms Feehily stated, including to staff, that she was conscious of the difficulty many people will have in paying the charge. Will she bring this realisation into Revenue's enforcement procedures?

Ms Josephine Feehily: Absolutely, we are very conscious with all of the taxes we administer that there are times in the year and times in people's lives when it is hard to comply. We have all sorts of arrangements in place for all of our taxes, including giving people time to pay. However, I do not have the option of allowing people not to pay, as that is not in my gift.

Deputy Joe Higgins: In the case of people who continue to protest at this tax, when will Revenue start to take their money involuntarily? Did Ms Feehily indicate the process would commence in July?

Ms Josephine Feehily: What I indicated was that we will begin the compliance campaign in June. Some people will receive reminder letters in June and we will move soon afterwards, during July, although the money may not actually be taken until August.

Deputy Joe Higgins: Is it correct that penalties are at the discretion of Revenue? How is a penalty administered? Must Revenue go to court to have a penalty imposed in addition to

a tax that is due or does it simply decide a person owes a specific sum and can then move immediately to take it?

Ms Josephine Feehily: While penalties are not strictly speaking at our discretion, the decision on when to activate them is something we take across all taxes on a care and management basis. Nobody will have a penalty imposed automatically without engagement from us. People will receive letters and reminders. If they persist, we will issue a formal penalty notice which they can appeal.

Deputy Joe Higgins: With regard to formal-----

Ms Josephine Feehily: There will be a formality about the imposition of penalties.

Deputy Joe Higgins: If there is still resistance, must Revenue go to court to impose a penalty or does the Revenue have such power without going to court?

Ms Josephine Feehily: The penalty can be appealed right up to the court. If a person appeals the penalty through the system, right up to the courts, we cannot impose it until then.

Deputy Joe Higgins: I assume the court in question is the District Court.

Ms Josephine Feehily: Yes.

Deputy Joe Higgins: Similarly, what is the position regarding deduction from a bank account?

Ms Josephine Feehily: That is entirely different. The Deputy used the word “penalty”. The penalties are provided in the law for failure to provide a return. That penalty will not be imposed without Revenue writing to people. There is also a right of appeal and so forth, as we discussed. A tax debt, which we discussed earlier, will go on somebody’s record. If a person owes a tax debt, it can be collected using our normal enforcement powers, as is the case with other tax debts in respect of income tax, VAT and so on. In this context, the local property tax can be collected from salaries. It can also be collected by way of an attachment order in the same way as all tax debts.

Deputy Joe Higgins: May I-----

Ms Josephine Feehily: There is nothing new in this power with regard to bank accounts. This is a power we used a couple of thousand times last year. It is not a new power.

Deputy Joe Higgins: To make it simple, if the property tax or home tax is €300, the Revenue Commissioners can deduct it mandatorily or order an employer to pay if a person resists.

Ms Josephine Feehily: Yes.

Deputy Joe Higgins: The legislation gives the Revenue Commissioners the right to impose a penalty of up to another €300. Is that correct?

Ms Josephine Feehily: With regard to what the Deputy is calling a penalty - the other €300 - I want to be sure we are speaking about the same thing. Which other €300 is the Deputy talking about?

Deputy Joe Higgins: The legislation says that a penalty can be imposed to the amount of the tax but it cannot exceed €3,000, if I remember correctly. That is the penalty I am referring

to. If the Revenue Commissioners was of a mind to impose that penalty, the person has the right to come back and appeal it all the way up to the court.

Ms Josephine Feehily: Yes, but in the meantime we have the right to collect the tax.

Deputy Joe Higgins: The tax itself?

Ms Josephine Feehily: The tax itself.

Deputy Joe Higgins: Yes, net of-----

Ms Josephine Feehily: That is not a penalty.

Deputy Joe Higgins: Okay. That is certainly-----

Vice Chairman: The Deputy's time is well up.

Deputy Joe Higgins: May I ask one final question? Ms Feehily and the Revenue Commissioners have had huge exposure in and access to the media. Was there a meeting by the Revenue Commissioners with the national broadcaster or the national broadcasting organisations, TV and radio, to discuss the coverage? I understand the Revenue Commissioners is an agent of politicians, essentially, implementing a political decision made by Government and Dáil Éireann. Was there a policy agreement as to how this would be dealt with by the national media?

Ms Josephine Feehily: Absolutely not. I have never met the national broadcasters in my life. The only strategy meeting we had about communications was with this team and a few more. We sat around a table. We said this is a new tax that affects everybody and that we needed a communications strategy and a spokesperson. We decided to launch it with a press conference. We had trouble as the room was not big enough, as the Deputy may recall. Ms Vivienne Dempsey was selected as our national spokesperson. We trained 20 people and made them available to local radio. That strategy was worked out in my office with me and my team. I never discussed with any media outlet how we would expect them to handle this issue. To be honest, it never even occurred to me. I would have thought they would tell me to take a running jump if I tried. It never ever occurred to me that would be an appropriate way to do this.

Deputy Joe Higgins: That is fine. I would just like to point out, not to the witness but to the Government representatives, that while the Revenue Commissioners was given huge access for the purpose of collecting the tax, the opponents, who represent quite a huge tranche of opinion, were blacked out of the media completely until yesterday.

Deputy Billy Timmins: Deputy Higgins got endless coverage. Every time I turned on the television he was on it.

Vice Chairman: I call Deputy Dara Murphy.

Deputy Dara Murphy: I welcome the witnesses, given that when the deadline was planned they probably felt they would be finished by now, but it has now been extended. We very much value their time. Nobody, especially politicians, likes to be in a position of imposing taxes on people as we are aware of the burdens and difficulties they face. I compliment the chairman of the Revenue Commissioners and her staff on the way in which the issue has been dealt with. If it has to be done it is worth doing well. It also addresses a question we have asked ourselves as a people. The Irish people are tax-compliant. Reference was made by another Deputy to the "No" side but that is a small number of people. In those compliments I include the agents who

acted on behalf of the Revenue Commissioners. There was to be an item on the agenda today about a company from Cork but it has not been mentioned by any of the questioners. That incident, if it is a serious one, has to be investigated. In the scheme of things, given the 1.6 million applications, it reflects well on the Revenue Commissioners and the agents it has used.

May I ask a few specific questions? First, there is a gap between the number of people who are paying the local property tax and the number who paid the household charge. A couple of hundred thousand people will become customers of the Revenue Commissioners in the coming months. It may be fair to say in many cases that because people have paid the local property tax they are mindful of being tax-compliant. Will the same methods of payment through employers and over terms be applied to those who, to date, have not paid the household charge? Second, all Members of the Oireachtas have had genuine people call who would like to pay but do not have access to the Internet. There has been a peak in that regard in recent days. I was interested to hear the witnesses' comments to the effect that if they get in quickly they will not be late. Perhaps that issue could be teased out a little more, bearing in mind that this will probably be broadcast on the "Nine News" or "Oireachtas Report", by which time the deadline will have expired. My own sense is that there are still a large number of people who would like to pay. However, they would like to know whether, if they pay reasonably quickly, they will have the same facility to pay at source and over the same spread-out period and what penalties, if any, will be imposed.

My third brief question is specific. Already I have heard from a person who wished to change the form he or she had submitted. The person had deferred and later worked out that it would cost €2 per week and decided not to defer. When we made contact, it was unclear how the person could pull back into the non-deferral system. How can that be done? I appreciate that the valuation on the house is for three years and that appears to be fairly firm. In Cork there are areas that have been affected by, for example, flooding events. As circumstances may change and the value of houses may fall, will people be able to change the valuations of their houses in exceptional circumstances?

Ms Josephine Feehily: On the first question about the €200 household charge, it is a source of some disappointment to me. I still think people should pay it to the Local Government Management Agency, because it is considerably cheaper, at €144, if they pay before 1 July. It is better if they do that because it will be €200 when it comes to us in July. That is my advertisement. It is really important. I take the Deputy's point. If people have paid the local property tax but not the household charge and they have a mind to be compliant, they should be compliant at the cheaper rate in their own interest. If they leave it over, we will give them the same phased payment arrangements. If they wish to have it deducted from their salaries and so on, that is fine; we will do that.

With regard to people who want to withdraw a deferral, they can do it through the helpline. We hope that people who want to change their minds may wait until we get past the peak of today and tomorrow. I was going to say they could write in but Mr. Gladney says they will be able to do it on the telephone. If they phone the helpline we can lift their deferral applications. Self-assessment means that their deferral is accepted at face value. They have chosen a deferral option. We will check a handful of them, as we always do, proportionally on a risk basis in due course. The deferral option is available, and if they want to lift it that is fine. When we get past the peak we will probably provide options for people to make some changes to their filing online on a self-assessment basis. That is for the autumn, though, because we have to get past this peak yet.

The valuation question is trickier because in the legislation the valuation date is 1 May. Therefore, we have been operating on the basis that the property market, generally speaking, will either stabilise or go slightly up. Keeping the valuation at 1 May for three and a half years was seen as somewhat beneficial. The 1 May date was fixed and the idea of varying the valuation within the three and a half year period was simply not in the legislation, unless someone made a major mistake. Certainly, there are opportunities to correct errors. If a person discovers she has made a major error in a panic, running in to us yesterday, there is room for discussion, but the valuation date is May 2013, not May 2014, 2015 or 2016. Therefore, if something happens it is not provided for in the legislation for a valuation to go downwards.

Vice Chairman: We must move on to the next speaker because time is running out.

Deputy Kevin Humphreys: I thank Ms Feehily and welcome her. What is the position on the engagement with the OPW? How many properties are involved? Have discussions taken place with the OPW in this regard?

Ms Josephine Feehily: Certainly we have had discussions. The OPW will be filing in bulk for all of its properties. Off the top of my head I reckon it amounts to 500 or 600. When I am counting them I include them in the 160,000 figure, the round number I use for local authorities, the OPW and social housing. They will be filing in bulk for all their properties.

Deputy Kevin Humphreys: Will they itemise each property when they file in bulk?

Ms Josephine Feehily: Absolutely, and then we will put them on the register.

Deputy Kevin Humphreys: When does the Revenue Commissioners expect to have them?

Ms Vivienne Dempsey: We have engaged with all Departments that own properties. The OPW has indicated to us that it has in the region of 500 properties, about which it will be advising us. The OPW is completing its return along with all Departments that own residential properties. They are filing with us in line with the filing deadline, 28 May. They were coming in yesterday.

Deputy Kevin Humphreys: I have a question about definitions under the property tax. What is the position of embassies that are both residencies and embassies? How are they affected by the property tax?

Ms Vivienne Dempsey: Where a property is solely an embassy and does not meet the criteria for a residential property, it would come under one of the exemptions. There is an exemption for diplomatic property. Where the property is a residential property we expect the owner to make a return.

Deputy Kevin Humphreys: I seek a point of clarity; I will be brief. At the moment the Revenue Commissioners provides companies with clarification by way of letters of concession, clearance or rulings. This is the system. Much has been made of Ireland having a transparent tax system. Is further transparency possible? Could the Revenue Commissioners publish all concessions, clearings and rulings in a redacted form on a quarterly basis? The Revenue Commissioners is already getting freedom of information questions and companies are repeatedly asking for clarity or letters of concession. Would it not be simpler for the sake of transparency if this was published on a quarterly basis? Has the Revenue Commissioners ever considered it? I realise I am dropping it in. If Ms Feehily wishes to reply at a later stage, that is fine.

Ms Josephine Feehily: There is a high-level answer to that. Every week or so we issue e-briefs in which we make interpretations that apply to business. Less frequently we issue tax briefing articles in which we set out our views in respect of certain classes of transaction. Much of it is done already in that fashion. Perhaps we do not call them what Deputy Humphreys calls them, but e-briefs are the medium through which we issue such information already.

Perhaps we could discuss what Deputy Humphreys believes is not in place and what we should be putting out in a public form. Certainly, where an issue arises and a business needs clarification and the issue has application to several businesses or classes of business, we tend to issue an e-brief, because practitioners want it that way. It tends to be done. I am trying to figure out what is missing.

Deputy Kevin Humphreys: I presume people are referring to a lack of clarity in the tax system where those concession letters are issued. I understand that the Revenue Commissioners issues e-briefs, but it is confusing. I did not mean to raise it. Can I e-mail Ms Feehily for further clarity?

Ms Josephine Feehily: Absolutely. We would be happy to do that.

Deputy Mary Lou McDonald: It is nice to see Ms Feehily in again to discuss these matters. The use of the term “voluntary compliance” strikes me as odd and misleading in circumstances in which the Revenue Commissioners has set out clearly that non-compliance will meet with deductions from wages, social welfare payments or bank accounts. I note the reports in the media which suggest that the Revenue Commissioners intends, for the purposes of making these deductions on the basis of non-compliance, to go after PAYE workers first, then occupational pensions, followed by social welfare pensions and then the self-employed, once they file their annual returns in October. Is that how the Revenue Commissioners proposes to proceed?

Ms Josephine Feehily: Sort of. I am sorry for giving such a glib answer. I disagree, respectfully. This is voluntary compliance. It is the same as any other tax. Certainly, our literature indicates what would happen, but so does the literature in respect of income tax or PAYE. People comply on a voluntary basis before we have to enforce the code. That is voluntary compliance in the context in which the law provides consequences. This phase is the same phase that occurs with any other tax in a self-assessment system when people comply. Often they comply because they do not like the alternative, but it is no different to other taxes. For tax purposes this process fits absolutely under the worldwide definition used by the OECD or any body of what constitutes voluntary compliance in a statutory-based tax context.

Deputy Mary Lou McDonald: That may well be the case in terms of the statutory interpretation, but the interpretation by the public at large who are having this tax levied upon them is that compliance is many things but it is far from voluntary, because the consequences of non-compliance are very serious indeed. Will it be PAYE workers first?

Ms Josephine Feehily: We had to make some judgments. We decided, given that we will be beginning with the non-engagers, to spread the money over as many weeks or months as possible and we decided to begin with the PAYE sector. I am sorry Deputy Fleming is not here because he gave me grief at the PAC about this issue. If we begin later they will have fewer weeks and months over which to spread the payment. That is the reason we are starting with people in the PAYE sector and the occupational pension sector. The reason the social welfare category comes next is that anyone whose only income is a social welfare payment is, by definition, entitled to a deferral and we will be reminding them of that fact. That is simply a fact of

the numbers. If a person's only income is a social welfare payment of any kind then, by definition, she is entitled to a deferral. While we are moving at one level to deal with PAYE workers, we will be reminding people whose only income is social welfare that they should have claimed a deferral. That is the categorisation. The reason I maintain it is about right is that the self-assessed are not left to the end. From the beginning, from 1 July, if the self-assessed have not paid the tax they are non-compliant and, therefore, they will not be entitled to tax clearance. We are moving evenly for both of them.

I am unsure which particular media report Deputy McDonald was referring to, but we have what I term a backstop for the self-assessed. This means that by the time they come to file their income tax returns, if they have not filed, they will pay a significant penalty in the form of a surcharge. We will move on them in parallel and they will be affected immediately in respect of tax clearance. The final piece will come in October. It is not the case that it will start in October.

Deputy Mary Lou McDonald: That means that the general gist of the media reports that I saw was correct. I know that Ms Feehily said it was "sort of" true but it is in the first instance PAYE workers, occupational pensions, social welfare recipients and then, albeit in parallel, the-----

Ms Josephine Feehily: In parallel, not "then". They will also be in the first instance. That is the only distinction I am making.

Deputy Mary Lou McDonald: Will that also be the pecking order in respect of the imposition of any levies for those who are non-compliant?

Ms Josephine Feehily: Regarding what the Deputy calls "levies"-----

Deputy Mary Lou McDonald: One could call them fines.

Ms Josephine Feehily: We will not be fining anybody. I have already told Deputy Higgins that any formal imposition of statutory penalties will involve an engagement which is subject to appeal.

Deputy Mary Lou McDonald: I appreciate that-----

Ms Josephine Feehily: There is no pecking order there.

Deputy Mary Lou McDonald: Ms Feehily has clearly set out the chronology for PAYE workers, occupational pensions and social welfare recipients. That will be the run of it. I am simply asking if that is the same running order she envisages in respect of notification, engagement and perhaps, although I hope it does not come to it, imposition of levies or fines?

Ms Josephine Feehily: It is the running for notification. One of the advantages - disadvantages perhaps in some people's view - of engaging first with the non-compliant and PAYE workers and spreading the payment evenly is that we will not charge them any interest, penalties or anything else.

Deputy Mary Lou McDonald: Unless they persist in not engaging with Revenue.

Ms Josephine Feehily: If we take it out through the PAYE system, there is nothing with which they can persist.

Deputy Mary Lou McDonald: Revenue will take it if they do not pay it. Is that the bottom line?

Ms Josephine Feehily: No fines, no interest.

Deputy Michael Creed: I welcome Ms Feehily and her colleagues and thank them for their presentation and congratulate their staff and agents. While I do not know anyone who likes paying tax, it is inevitable and this tax is being processed in a very professional manner. I congratulate all involved. I would particularly like to congratulate all those who have complied. The level of compliance is remarkable.

There has been some interesting debate about the number of homes whether it is 1.7 million or 1.9 million but I am more interested in whether Ms Feehily can give us some detail of the number of taxpayers involved, particularly those who may have a liability for multiple properties. How many taxpayers have responsibility for two, ten or 100 properties?

Does Revenue have any geographical mapping of the compliance to date and are there any significant geographical indicators for compliance? The witnesses are aware that there has been some considerable concern in the framing of this legislation about similar structures in different locations attracting very different levels of valuation and the related issue of ability to pay. I would be interested in any mapping of those who have paid.

How many properties are there for which returns have been made that have a valuation of over €1 million, the mansion tax as it was called? Ms Feehily may have answered my final question about those who have not complied and Revenue's engagement with them in June and why it is happening so early. I take it that for those who have not complied the arrangement will be deductions from income or from whatever source on a weekly or monthly basis between now and the end of this calendar year.

Ms Josephine Feehily: Thank you. I will try to be brief. We have no information yet on geographical spread. We have not done that analysis, as I explained earlier. We are just too busy. We will have geographical information and a lot of data that we will share with academics and so on. We estimate that between 10% and 12% of the taxpayers will be responsible for multiple properties. At the moment, based on the numbers we have, which are a bit out of date because of the pace of the filing, we had approximately 165,000 owners of two or more properties a few days ago.

There are 3,599 properties worth over €1 million to date. They have a special tax rate so it is easy for us to count them.

One of the reasons for moving on the compliance in June is to spread the payments as evenly as possible over whatever pay days the taxpayers have left.

Deputy Michael Creed: How many taxpayers are there, as opposed to the number of properties?

Ms Josephine Feehily: As of a few days ago 164,000 owners had two or more properties. I do not know how many properties they had. We do not have that analysis. We will get all this information when we have time to analyse the data.

Deputy Michael Creed: That is the total number of multiple property owners but is the total number of owners 1.7 million or 1.9 million minus one-----

Ms Josephine Feehily: That is the number of properties. The number of liable persons, to use the language in the Act, is 1.19 million and that is slightly out of date. We have received 400,000 returns in five days. There is a lot of work to be done to get these numbers right. I enter caveats with every one of these numbers. It is my intention to put out more data as soon as we can and as the year goes on. There are very rich data here and we are mindful of that and we will analyse them and make them available.

Deputy Billy Timmins: No one likes to pay tax. I have never met anyone who willingly pays tax but I am also conscious of the fact that if people did not pay tax we would not receive a wage.

The legislation may cover some of my questions and I may have missed the answers to them, so for the sake of clarity I will ask them. My understanding is that local authorities are supposed to have property registers. Perhaps many do not have them or do not keep them up to date. Are empty properties owned by local authorities subject to the charge? Will financial institutions that have repossessed properties be liable for a property tax on those properties? Is there a cross-over to Revenue with the non-principal primary residence charge of €200 or does that money remain with the local authority? I feel sorry for this group of people because this did not receive the same publicity as the household charge, and those who have emigrated were not, and probably still are not, aware of this charge. The clock is ticking at a tremendous rate as the charge goes up each year because there is a €20 fine per month.

Ms Josephine Feehily: We have no role in the second home charge. If the financial institutions own the property they must pay or the receivers have to pay. They are the liable persons and they fit into some of the data problems about which we spoke earlier because stock in trade, empty properties from a developer or builder, are exempt but there is a liability and we are pursuing that.

Deputy Billy Timmins: Has Revenue received returns from the financial institutions?

Ms Josephine Feehily: We have had some and we are engaging with others because, as the Deputy will appreciate, some receivers have very large property lists. They are exempt but we want them to give us a schedule for the register instead of sending in individual returns.

Deputy Billy Timmins: The receivers are exempt but are the financial institutions liable?

Ms Josephine Feehily: The properties are exempted. The receivers are liable if they hold a property that is not stock in trade, for example. They are not liable if it is finished housing that was never sold. There are all sorts of different categories.

Deputy Billy Timmins: Are houses repossessed by banks and financial institutions liable for the property tax?

Ms Josephine Feehily: Yes.

Deputy Billy Timmins: Are returns available on this category?

Ms Josephine Feehily: We do not have a breakdown. They have been filing their returns, no question.

Deputy Billy Timmins: Is there a figure available?

Ms Josephine Feehily: No.

Deputy Billy Timmins: What is the case with regard to the empty local authority houses?

Ms Josephine Feehily: Ms Dempsey will give that information.

Ms Vivienne Dempsey: We have been engaging with the local authorities over the past number of months to establish exactly what local authority properties would be liable. We have agreed three categories of properties with local authorities. Normal housing will be liable. Housing that comes within the provisions of the legislation for special needs accommodation is exempted. The property will be required to be declared but an exemption will be claimed in the same way as every other exemption is claimed. The third category comprises properties that are due for demolition as part of an approved regeneration programme. We are looking at those from the point of view of deeming them not liable and therefore outside the scope of the legislation because they are part of an approved regeneration programme. We are in discussions with the local authorities about the procedures that will be required to be put in place because the regeneration programme is fixed and well defined with very tight guidelines around the procedures. However, if the property is simply vacant, it is liable.

Deputy Peter Mathews: I thank Ms Feehily, Ms Dempsey and Mr. Gladney for their attendance. I apologise for my late arrival as I was in the Chamber for the Topical Issue debate on child care which followed yesterday's "Prime Time" programme. I would have liked to have been in attendance for the full meeting.

I have some questions. The first is a simple customer query. When I was filling out my own return I was unsure how to pay by cheque. How has that been overlooked in the form? It is kind of weird.

Ms Josephine Feehily: The information was in the booklet.

Deputy Peter Mathews: I am not sure if it was.

Ms Josephine Feehily: I refer the Deputy to page 15 of the booklet. I have answered so many parliamentary questions on this matter. I think it is on page 15 of the booklet. I think the reason we did not highlight on the form the option to pay by cheque was because by providing a single debit authority, which is a cheque to all intents and purposes and on which stamp duty is not paid and it is cheaper, in our view, that was the cheque. It is down at the bottom of the form that if one wished to pay by cheque, the data required to be provided is exactly the same as the characters that run across the bottom of a cheque.

Deputy Peter Mathews: It does not explain who is the payee.

Ms Josephine Feehily: The SDA has a limit. In the letter we drew attention to it as a form of electronic cheque. I have reflected on why we missed it. I think the reason is that in our view we were providing an actual cheque at the bottom of the form.

Deputy Peter Mathews: I got the heebie-jeebies, so to speak, after the Ulster Bank experience when its whole system was locked down for about six weeks. I am old-fashioned; perhaps it is my age.

Ms Josephine Feehily: With SEPA and everything coming along, we should be getting out of using cheques. Electronic payments are the way forward.

Deputy Peter Mathews: My other question is about the issue of the letters to people. In many cases in Dublin in particular, tenants of apartments received the assessment notice or let-

ter. They do not necessarily know who is the landlord because the apartments are let through letting agents. I know a couple of people in the student category or in the early years of their career who have decided that the notice is not their business because they do not own the property. They will not trudge their way through all the print to find out that if one is not the liable person, then one must return the form to the Revenue Commissioners with the information as to the identity of the landlord and his or her PPS number. They are too busy to do all that. I suggest that if the Revenue has not anticipated this problem, it should be aware of it. I ask the witnesses not to cause grief for these people because sometimes they are doing exams and they may not have written back to the Revenue with the information. The Revenue will still need to find out who owns the apartment.

Ms Josephine Feehily: If the person has not replied to our letter, we presume he or she is the owner. We would not have written to them if we did not think they were the owner. This is a name and address-----

Deputy Peter Mathews: How does the Revenue decide they own it?

Ms Josephine Feehily: Because this is the address they use for their PAYE, perhaps. That is the reason.

Deputy Peter Mathews: Is that a fair presumption? There are very many people in this city who are renting.

Ms Josephine Feehily: The letter they receive explains that if they are not the owner, they should tell us who is the owner.

Deputy Peter Mathews: My point is that it is necessary to trudge down the letter to paragraph four or five. I am just being practical.

Ms Josephine Feehily: If the Deputy will bear with me, it is a really important message and I am glad the Deputy raised it. We will have received a file of landlords from the Residential Tenancies Board. We use that information. If we write to a tenant in the private rented sector, it is probably because their landlord may not be registered. We should not have written to any tenant of a registered landlord.

Deputy Peter Mathews: The cases in question were people who rent their apartments through a letting agency.

Ms Josephine Feehily: There is a landlord somewhere.

Deputy Peter Mathews: The letting agency deals with that rather than the tenants.

Ms Josephine Feehily: I understand that.

Deputy Peter Mathews: The tenants just deal with the letting agent for all the problems with electricity, heating, lighting, plumbing, the whole lot.

Ms Josephine Feehily: Generally speaking, even with a professional letting agent, there will be a lease which will have the landlord's name. The redress is against the landlord in the case of other issues.

Deputy Peter Mathews: The PPS number may not be included on the lease.

Ms Josephine Feehily: The landlord will have a name and address. The tenant will have

contact information. There are things a tenant could tell us which will help us to understand that they do not own the property. That is the only thing.

Deputy Peter Mathews: I am just making the point that people in that age group, 18 to 25 years, will have a lot going on in their lives. They give the form to the letting agent because they are not the owner. It then depends on the letting agent whether they will give it to the landlord. I am just asking the Revenue to be aware of this situation.

Ms Josephine Feehily: The letting agent will have dealt with it.

Deputy Peter Mathews: I have a couple more questions.

Vice Chairman: Sorry, Deputy, your time slot is finished; that is the way it works.

Deputy Peter Mathews: NAMA could be the mortgagee in possession.

Vice Chairman: I am calling Senator D'Arcy. That question will not be answered today.

Senator Michael D'Arcy: I wish to raise the issue of the NPPR for the non-compliant NPPRs.

Ms Josephine Feehily: The Senator may raise it but it is nothing to do with me.

Senator Michael D'Arcy: On 1 July-----

Ms Josephine Feehily: That refers to the household charge.

Senator Michael D'Arcy: No, is 1 July the date for the NPPR?

Ms Josephine Feehily: No.

Senator Michael D'Arcy: Will the uncollected NPPR on properties which have not registered be collected by Revenue on 1 July?

Ms Josephine Feehily: We have no authority to collect it. The legislation deems the household charge to become property tax in July but not the NPPR. We have no role with regard to the NPPR. Although we will be sharing our databases with the Local Government Management Agency in the same way as it will give us its databases. We will be giving the information but we have no role in collection.

Deputy Pearse Doherty: Considering we are discussing a tax valued at €250 million, I refer to the issue around Apple. The Minister replied to my parliamentary questions. It is shocking that the Revenue does not know how many companies incorporated here are non-resident for tax purposes in this State. I am very concerned about the issues relating to some of Apple's subsidiary companies which have no tax residency anywhere in the world. The Minister for Finance has said there is no special arrangement between the Department and the company. Tim Cook has said there has been an arrangement with the Revenue. The witnesses have been up to their eyes in dealing with the local property tax. Have files going back to the 1980s been examined as to the calculable profits of Apple and the arrangements made at that time and to which the chief executive of the company referred at the US Senate committee?

Ms Josephine Feehily: It was remarked earlier by Deputy Higgins that the Revenue does not comment on cases. We are strictly bound by taxpayer confidentiality for all taxpayers no matter how big. Any comments I make cannot be associated with a particular taxpayer or case.

We cannot comment nor do we comment on cases.

However, I have noted the Government position that there are no special deals on tax with any company. This has been confirmed by a statement from Tim Cook this morning, as I understand. I can certainly assure the committee that Revenue does not do special deals on tax rates for any company of any size. I am speaking in general and not about any company in particular. Our tax system is statute-based and transparent. I have no role in changing it.

Global businesses and global tax arbitrage comprise an extremely complex area of work for us. It is an area which raises complex policy issues and complex global political issues which need to be considered in the first instance at the policy and political levels, long before they reach us as tax administrators. In my view - the Government has said this, but I wish to give members my perspective - these issues can only be resolved by direct engagement at OECD and EU level. Reference has been made in the commentary to the Base Erosion and Profit Shifting, BEPS, report. The work on that report is supported by Revenue officials in numerous working parties in the OECD. We are working closely with people from other tax administrations in this regard. The Forum on Tax Administration is where tax commissioners meet under the auspices of the OECD. The week before last, 55 of us met in this capacity under my chairmanship, where we considered what our role as tax commissioners should be in the context of the BEPS report. We announced in our final *communiqué* that we stand ready to implement the action plan whenever it emerges from the policy considerations that are to come.

In summary, our position in regard to global tax compliance is that it is a global issue. Countries on their own cannot resolve it, not even if, in Ireland's case, we had 1 million people working in Revenue. We stand absolutely ready, however, to implement any of the actions that are decided on by the OECD. Information, particularly third-party information, is the lifeblood of tax administration. We have very strong exchange of information arrangements with other tax authorities. I expect the United States Foreign Account Tax Compliance Act, FATCA, will prove useful to us in this regard. I welcome the move by the European Union, under the Irish Presidency, towards greater exchange of information that will give us access to data. This is in a different space entirely to the other issue; it is not about BEPS but about evasion. At the meeting I referred to and which I chaired, the United States, Australia and the United Kingdom announced that they have put together something like 400 GB of data which they intend to share with us under treaty arrangements. We are very active globally with our administration colleagues once the policy issues have been resolved and are passed down to us to deal with.

Vice Chairman: Thank you, Ms Feehily. We will be discussing these issues next week, with a particular focus on policy issues. We might come back to the chairman for her input following that discussion.

Ms Josephine Feehily: Certainly. We have staff working on the technical aspects in support of the Department of Finance. If the committee would like to talk to them, they would be happy to attend a future meeting.

Vice Chairman: Thank you, chairman.

Deputy Pearse Doherty: I have a supplementary question. I am not convinced there is a special arrangement for particular companies in the manner reported in the media. Our taxation code has been designed in a way that allows for companies - I am not singling out any particular organisation - to avoid paying tax on profits. They are able to do so in a legal way. It is not that individual companies are being charged a lower rate but that they are able to fit into the code in

such a way that it allows them not to pay.

In 1999, following a report by the Department of Finance, there was a closure of significant loopholes for Irish incorporated companies that were non-tax resident in this jurisdiction. There were serious questions in regard to a number of those companies, with some possibly being involved in criminal activity. I am not making those accusations; the information comes from a note by the Department. The 1999 changes dealt with part of this problem.

In that context, while I agree that tax evasion must be tackled at the global level, is it not also the case that loopholes can be closed on a state-by-state basis? Does Ms Feehily subscribe to the notion that a company incorporated in this State and non-tax resident in this jurisdiction which is also non-tax resident in any other country in the world should, by default, become tax resident here as a result of its incorporation? In other words, if a company wants to be non-tax resident and incorporated here, it would have to show that its management control is outside of this State. What I am proposing here is that there should be an additional clause such that a company must show it is tax resident in another country and, if not, the process of incorporation in this State would mean it is automatically tax resident here. That would close down a loophole for companies whose multiple billions of euro in profit are swilling in and out of coffers in this State.

Ms Josephine Feehily: The Deputy answered the question himself by asking whether I subscribe to the view he articulated. The legislation provides what it provides; our job is to administer it. The question of the allocation of profits has been settled in the context of OECD model treaties, which reflect very old rules going back to colonial days when they were designed for a particular purpose. We work within those global rules and within the domestic legislation. The question of whether it would be good, bad or indifferent to change those rules is not a matter for me.

Deputy Joe Higgins: My supplementary question to Ms Feehily may be a matter of legal interpretation, in which case she might be kind enough to send a written reply in due course. The Finance (Local Property Tax) Act 2012 provides that a residential property shall not, for the purposes of the Act, be regarded as a “relevant residential property” where it is not occupied as a dwelling. Part 3 of the Act includes a definition for liable persons. Section 28 states:

Subject to *sections 29 and 31*, every person who is a liable person shall be required to register as such with the Revenue Commissioners and for this purpose shall send to the Revenue Commissioners a statement in the form specified by the Revenue Commissioners of particulars relating to the person and the relevant residential property in relation to which the person is a liable person and those particulars may be entered in the register.

Will Ms Feehily clarify whether any property that is deemed not to be a relevant residential property is thereby exempt from having to be registered?

Ms Josephine Feehily: I will come back to the Deputy on that because I need to follow his train of thought in order to give a comprehensive answer. As a general principle, there are very few properties that are not required to be registered. I will write to the Deputy in the terms of the question he has put, drawing the distinction between relevant, not occupied and required to be on the register.

Deputy Joe Higgins: My question also applies to the other categories of properties that are deemed to be not relevant, including, for example, properties that were purchased this year.

Ms Josephine Feehily: To clarify, the Deputy is asking specifically about properties that are deemed to be not relevant?

Deputy Joe Higgins: Yes. My question is whether a property that is deemed under the provisions of the legislation to be not relevant is required to be registered.

Ms Josephine Feehily: I will write to the Deputy.

Deputy Joe Higgins: Thank you.

Deputy Peter Mathews: To clarify, did Ms Feehily indicate in respect of NAMA that where there is a mortgagee in possession, it is that mortgagee who is liable?

Ms Josephine Feehily: Yes. That provision is applicable to a very small number of properties.

Deputy Peter Mathews: In other words, where a bank or institution is the mortgagee in possession, it is liable?

Ms Josephine Feehily: Absolutely.

Deputy Peter Mathews: Finally, I have it in the back of my mind that there is provision for local authorities to alter the local property tax valuations that are submitted plus or minus 15%. Is that correct?

Ms Josephine Feehily: The provision the Deputy has in mind is nothing to do with the valuation. As I said earlier, the valuation is a matter for the property owner. The legislation provides that, beginning in 2015, local authorities may vary the rate of the tax, not the valuation of individual properties. The valuation is for householders to do but the rate of tax may, in future, be varied by local authorities up or down by 15%. If they wish to do so for 2015, they will have to notify us by September of next year.

Deputy Peter Mathews: It amounts to the same thing, however, in that local authorities have the power to vary the amount householders will pay.

Ms Josephine Feehily: It might appear to be the same thing but in terms of the power available to local authorities, it is an important distinction.

Deputy Peter Mathews: It seems to me a question of whether one buttons one's jacket this way or that way.

Ms Josephine Feehily: Deputy Mathews knows better than that.

Deputy Peter Mathews: Do I? On Deputy Pearse Doherty's point, the Revenue is responsible for administering the taxation system and that the Government is responsible for introducing legislation and drawing up policy. In the context of the fiscal vulnerability of individuals, there appears to be a difference between the ability of the Revenue to intrude upon the financial affairs and resources of individuals and those of companies. Companies have walls of steel in place in the form of advisory firms, auditing firms and professionals. They have in place, therefore, a veil of impermeability and the Revenue cannot remove funds from their PAYE revenues.

Ms Josephine Feehily: We can issue section 214 letters and liquidate them.

Deputy Peter Mathews: I know that.

Ms Josephine Feehily: When we carry out audit interventions, the businesses we audit would not recognise the Deputy's description I suspect.

Vice Chairman: Let us not discuss that matter now.

Deputy Peter Mathews: Another matter to which I wish to refer relates to the incorporation of companies which seem to hover outside jurisdictions-----

Vice Chairman: We are running over time.

Deputy Peter Mathews: I just wish to make one point.

Vice Chairman: No, the Deputy may not do so.

Deputy Peter Mathews: Would it be technically possible-----

Vice Chairman: It is the same every week with the Deputy.

Deputy Peter Mathews: -----to introduce a 1% levy in respect of all the money which flows through incorporated companies that might not, by current definition, be resident here for tax purposes?

Vice Chairman: That is an issue for the Minister rather than the Revenue Commissioners. I thank the Deputy for his comments.

I wish to thank Ms Feehily and her officials for the briefing they provided and for their contributions to our discussions. This has been a very informative meeting.

Ms Josephine Feehily: I thank the Vice Chairman.

Deputy Pearse Doherty: As Ms Feehily indicated, Revenue will digest much of the rich data. When such data is available, I presume it is published. However, that may not be the case. If it could be submitted to the committee, that would be most helpful.

Ms Josephine Feehily: When data becomes available, we will publish it and also forward it to the committee. Otherwise there will be an endless stream of parliamentary questions tabled in respect of it. Once we publish it, we will refer members to it and say, "There it is".

Deputy Pearse Doherty: Read the document.

Vice Chairman: The Revenue should not bother breaking it down but should just send it to us in raw form. If there is no other business, we will adjourn.

The joint committee adjourned at 5.45 p.m. until noon on Wednesday, 5 June 2013.