

Getting the balance right is key says ITI

“We are getting the balance right on what tax rates we pay, who pays tax and who benefits”

Monday, 24 September: The Irish Taxation Institute (ITI) has welcomed the publication today by the Tánaiste of Revenue’s study on the effective tax rates of the top 400 earners in 2003. The study shows that the top 1.5% of income earners pays one-quarter of the total income tax take, with 40% of income earners at the lower end paying no income tax at all.

ITI said the study provides evidence that if we continue to get the balance right between tax rates and tax incentives, then both the exchequer and broader economy can benefit.

Mark Redmond, ITI Chief Executive said: “This report shows we are getting the balance right on what tax rates we pay, who pays tax and who benefits.

“The wealth creators are making the largest contribution and as a result, more people at the lower end can be taken out of the tax net. While wealth creators must rightly pay the largest share, they equally need to know that measures which have allowed enterprise to prosper must continually be developed.

On tax incentives, Redmond said: “It made sense for successive governments to provide tax incentives to generate economic activity, just as it made sense for the Tánaiste to end certain tax incentives when the evidence showed they had reached the end of their natural lifespan. The fact remains that where incentives can make an economic and social contribution, then they should be supported.”

ENDS

Further info:

**Dan Pender,
Director of Communications**

01 – 6631741 / 087 – 2313415