



## **Radical tax policy changes to benefit economy says ITI**

### **Corporation tax changes for small business follows ITI intervention**

The Irish Taxation Institute (ITI) has welcomed Budget '07, with ITI Chief Executive, Mark Redmond saying it demonstrates that innovative tax policies remain central to future economic growth and competitiveness.

Redmond said the ITI welcomes changes which continue to underpin the important role of small business in the Irish economy, in particular the changes on preliminary corporation tax and the extension of the BES and Seed Capital schemes.

Referring to the announcement of new measures on preliminary corporation tax payments for start-up businesses, Redmond said these changes provide greater certainty and lessen the burden on start-ups in the critical first year.

It had been indicated by Revenue in recent weeks that this incentive was to end in 2006 and ITI are particularly pleased that following its intervention, the Minister has reversed the decision.

Redmond said: "The announcement today that the preliminary tax incentive for start-ups is set to continue, with the trebling of the threshold to €150,000, is highly appropriate. ITI advocated the need to keep this measure in place. The first year of any business is always a time of pressure. Measures such as today's change recognise this and we commend the Minister for his action."

On personal tax, ITI estimates that taking changes on income tax, PRSI and social welfare into account, the top 20% of taxpayers will be better off by 2.4% with the lower 20% of taxpayers benefiting to the tune of 9.4%.

On first time buyers, ITI welcomed the changes on mortgage interest relief, saying it ensures those who need the benefit, get the benefit without inflating house prices.

**ENDS**

**Further info:**

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