

**ITI welcomes changes
in the Finance Bill.**

The Irish Taxation Institute today welcomed a number of changes made by the Minister of Finance to this year's Finance Bill.

The changes were made at the report stage of this year's Finance Bill and followed detailed meetings and communications by the ITI with the Department of Finance.

The amendments, originally introduced by the Minister for Finance at Committee stage, required individuals and tax practitioners to provide comprehensive data to Revenue for all reliefs, exemptions, credits, allowances and deductions under threat of harsh penalty.

A fundamental point was that the proposed amendments moved totally outside the sphere of the calculation or assessment of specific tax liabilities. They went far beyond the provision of routine data required for the calculation of tax liabilities.

Mr Frank Hussey, Deputy President, ITI, said that he viewed the use of the tax surcharge for mere data collection as extending the original provisions in a wholly inappropriate manner.

“ We met with officials at the Department of Finance in recent weeks and expressed serious concerns about the proposal to amend existing legislation in relation to annual tax returns. Proposed amendments would have resulted in innocent errors by individuals and tax practitioners being punished by additional tax liability of up to 10 % of the overall tax liability, “ said Mr. Frank Hussey, Deputy President, ITI.

The specific amendments to which the above correspondence and discussions related to are those to sections 1084 and 1085 of the Taxes Consolidation Act 1997.

“We're delighted the Minister has made relevant changes concerning these amendments. However, to have attempted to introduce such draconian changes in tax law without adequate consultation with the industry was quite inappropriate. The proposed changes and the wording involved would have extended the surcharge regime to innocent mistakes, which is quite beyond the intended scope of any such measure. Had it remained unaltered, the proposed wording could have adversely affected the preparation of compliance returns by tax practitioners,“ added Mr. Hussey.

Ends.

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