

# PRESS RELEASE

## Irish Taxation Institute expresses concern about new Revenue powers



### Protecting all Taxpayers' Rights

Finance Bill 2005, published this afternoon, proposes significant additional powers to be conferred on the Revenue Commissioners. While welcoming any effective measures to tackle tax evasion, Mark Redmond, Chief Executive of the Irish Taxation Institute (ITI) said this afternoon that the Institute was very concerned that new powers to enable Revenue to criminally prosecute taxpayers for assisting tax evasion does not require Revenue to prove intention. This proposal appears at odds with findings contained in the Report of the Law Reform Commission (LRC), published earlier this week. In their report, the LRC said that tax crime should not be treated differently to other crimes and that legislation should not be introduced that shifts the burden of evidence on to the citizen.

Redmond noted that the proposals to make it easier for Revenue to prosecute those who have aided and abetted tax evasion is very widely drawn and potentially applies to all taxpayers. The measure underlines the increased duty of care resting on anyone who purports to give tax advice. Redmond said this underlined the importance of only obtaining tax advice from a qualified tax consultant. However, Redmond pointed out that tax consultants may be reluctant to become involved in any situation where they run the risk of being falsely accused of assisting tax evasion under the proposed new power.

### Other Measures

Redmond welcomed the increase in the publication threshold for “tax defaulters” from €12,700 to €30,000 but suggested that the limit could have been increased to €50,000.

Redmond also noted the reduction of the interest rate applied to tax underpaid to 10% from 11.75%. This change follows a submission from the ITI to the Department of Finance on the disproportionate rate of 12% which previously applied. However the new rate of 10% is very high by comparison to our EU counterparts.

### Ends

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