

Embargo until 6pm, Thursday 9 October 2003

**Ms. Suzanne Kelly, President of the Irish Taxation Institute (ITI)
Speaking with the Minister of Finance, Mr. Charlie McCreevy at the
launch of the Institutes 11 new tax titles at the National Museum of
Ireland on Thursday 9 October 2003**

Good evening Minister, Ladies & Gentlemen,

I would like to thank you all for attending our annual launch of ITI tax books and electronic publications.

Instead this evening I want to talk about another form of publication, that is the quarterly publication of the tax defaulters list, a matter with which I am sure the Minister is at least "a little bit" conversant.

Most recently a quarterly list for June 2003 was published. It included the names of 419 defaulting taxpayers. With a list of 419 names, over 54 pages and tiny newsprint, the average person would probably glance through the list and leave it as bathroom reading to be dipped into at a later stage to see if anyone he knows is included and then it would be possibly dumped in the bin at the end of the week. Not for me, such indifference. I study the list, I parse the list, I analyse the list, I review it with the same intensity as Silas Marner counted his coins, or indeed as the Minister looks at the exchequer returns for the budget.

In analysing the list, I need to remind myself of the reasoning behind the list which is to 'name, shame and out' tax defaulters in a community which is increasingly intolerant of tax dodging.

Does a list of over 400 names and addresses achieve this goal?

I think it is probably worth revisiting the publication threshold of €12,700 with the intention of considering raising it to about €75,000. I say this as a result of my deliberations on the most recent publication list.

75% of those on the list (that is almost 300 taxpayers) owed less the €75,000. Of that €75,000, €50,000 on average represented the interest and penalty bill, so that it can be said that two thirds of the amount as published represented interest and penalties. The remaining tax due by the recalcitrant taxpayer amounted to €25,000 or under.

So 3 out of every 4 of those included on the most recent publication list owed tax amounting to between €13,000 and €25,000 in tax. Add to the analysis that these tax settlements are usually historic. They refer to outstanding tax over a couple of years. Over a 10-year period the tax in

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these cases could amount to being as low at €1,300 per year up to €2,500 per year. I say all of this, to indicate, that the person owing €25,000 of tax over a period of years is on the same list for the same purposes and is treated in the same way as the outable tax defaulter who owes tax of €250,000 and perhaps owed €800,000 in total where it includes interest and penalties.

The breakdown of the various tax settlements included in the June list are:

<i>Paid amounts between (inclusive of tax, interest & penalties)</i> €	<i>No. of cases</i>
Under 75,000	298
75,000 - 100,000	28
100,000 - 200,000	60
200,000 - 500,000	22
500,000 - 800,000	8
800,000 - 1,000,000	3
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Total	121 121 419

If the legislation introducing publication in 1983 is revisited, the €12,700 exemption of today would be probably be nearer to €75,000 and the old threshold of €12,700 (formally IR£10,000) was introduced in an era when interest and penalties were rarely sought.

I know when I ask for such debate and where such a debate gives rise to an increase in the threshold for the publishable arrears, then 121 names of the taxpayers would only have been published in June 2003 rather than 419.

I would suggest that the 121 taxpayers would get more attention from the public and the media and the object of the legislation would be better achieved. I am making this argument and opening this debate for the overall betterment of the tax system and the more minor recalcitrant taxpayer. I think I should finally say that whilst I am suggesting opening a debate on the thresholds for publication, it should go without saying that I acknowledge fully the sterling work that the revenue do in actually collecting the listed taxes, interest and penalties.

Thank you very much for listening to me and I would now like to hand over to the Minister for Finance, Mr. Charlie McCreevy.

If you require photographs or wish to discuss any of this above please contact:
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