An Bille Airgeadais, 2016

Finance Bill 2016

Mar a tionscnaíodh

As initiated

[No. 83 of 2016]

AN BILLE AIRGEADAIS, 2016
FINANCE BILL 2016

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AN BILLE AIRGEADAIS, 2016
FINANCE BILL 2016

Bill

entitled

An Act to provide for the imposition, repeal, remission, alteration and regulation of taxation, of stamp duties and of duties relating to excise and otherwise to make further provision in connection with finance including the regulation of customs.

Be it enacted by the Oireachtas as follows:

PART 1

Universal Social Charge, Income Tax, Corporation Tax and Capital Gains Tax

Chapter 1

Interpretation

Interpretation (*Part 1*)

1. In this Part "Principal Act" means the Taxes Consolidation Act 1997.

Chapter 2

Universal Social Charge

Amendment of section 531AN of Principal Act (rate of charge)

2. (1) Section 531AN of the Principal Act is amended—

(a) in subsection (3)—

(i) by substituting "€18,772" for "€18,668", and

(ii) by substituting "2.5 per cent" for "3 per cent",

(b) in subsection (3A)(a) by substituting "2.5 per cent" for "3 per cent",

(c) in subsection (5) by substituting "increased by the greater of" for "increased by",

(d) in subsection (6) by substituting "increased by the greater of" for "increased by", and

(e) by substituting the following Table for the Table to that section:

"TABLE

PART 1

Part of aggregate income (1)	Rate of universal social charge (2)
The first €12,012	0.5 per cent
The next €6,760	2.5 per cent
The next €51,272	5 per cent
The remainder	8 per cent

PART 2

Part of aggregate income (1)	Rate of universal social charge (2)
The first €12,012	0.5 per cent
The remainder	2.5 per cent

".

(2) *Subsection (1)* applies for the year of assessment 2017 and each subsequent year of assessment.

CHAPTER 3

Income Tax

Amendment of section 472AB of Principal Act (earned income tax credit)

3. (1) Section 472AB of the Principal Act is amended in subsection (2)—

(a) in paragraph (a), by substituting "€950" for "€550", and

(b) in paragraph (b), by substituting "€950" for "€550".

(2) *Subsection (1)* applies for the year of assessment 2017 and each subsequent year of assessment.

Amendment of section 466A of Principal Act (home carer tax credit)

4. (1) Section 466A of the Principal Act is amended in subsection (2) by substituting "€1,100" for "€1,000".

(2) *Subsection (1)* applies for the year of assessment 2017 and each subsequent year of assessment.

Fisher tax credit

5. (1) The Principal Act is amended by inserting the following after section 472B:

"Fisher tax credit

472BA. (1) In this section—

‘aquaculture animal’ means an aquatic animal at all its life stages, including eggs, sperm and gametes, reared in a farm or mollusc farming area, including an aquatic animal from the wild intended for a farm or mollusc farming area;

‘day at sea’ means a cumulative period of 8 hours within any 24 hour period during which the fisher undertakes fishing voyages;

‘fisher’ means any person engaging in fishing on board a fishing vessel;

‘fishing vessel’ means a vessel which is—

(a) registered on the European Community Fishing Fleet Register in accordance with Commission Regulation (EC) No. 26/2004 of 30 December 2003[1], and

(b) is used solely for the purposes of sea-fishing,

but does not include a vessel that is engaged in fishing or dredging solely for scientific, research or training purposes;

‘fishing voyage’ means a fishing trip commencing with a departure from a port for the purpose of fishing, and ending with the first return to a port thereafter upon the conclusion of the trip, but a return due to distress only shall not be deemed to be a return if it is followed by a resumption of the trip;

‘sea-fish’ means fish of any kind found in the sea, whether fresh or in other condition, including crustaceans and molluscs, but does not include salmon, fresh water eels or aquaculture animals;

‘sea-fishing’ means fishing for or taking sea-fish.

(2) Where for a year of assessment an individual to whom this section applies has spent not less than 80 days at sea actively engaged in sea-fishing, he or she shall be entitled to a tax credit (to be known as the ‘fisher tax credit’) of €1,270.

(3) Where for a year of assessment an individual makes a claim under this section, relief shall not be given under section 472B for that year of assessment.

(4) This section applies to an individual, resident in the State—

(a) the profits or gains of whom in relation to their trade as a fisher are charged to tax under Schedule D, or

(b) the emoluments of whom in relation to their employment as a fisher are charged to tax under Schedule E.

(5) This section shall cease to apply for the year of assessment 2022 and subsequent years of assessment.”.

(2) *Subsection (1)* applies for the year of assessment 2017 and each subsequent year of assessment.

1 OJ No. L5, 9.1.2004, p.25

Amendment of section 480A of Principal Act (relief on retirement for certain income of certain sportspersons)

6. (1) Section 480A of the Principal Act is amended in subsection (9) by substituting "(within the meaning of section 787 or 787B)" for "(within the meaning of section 787)". 5

(2) *Subsection (1)* applies for the year of assessment 2017 and each subsequent year of assessment.

Amendment of section 477B of Principal Act (home renovation incentive)

7. Section 477B of the Principal Act is amended in subsection (2)—

(a) in paragraph (a) by substituting "2018" for "2016" in each place where it occurs, and 10

(b) in paragraph (d)—

(i) by substituting "2018" for "2016" in each place where it occurs, and

(ii) by substituting "2019" for "2017" in each place where it occurs.

Help to Buy 15

8. (1) The Principal Act is amended by inserting the following section after section 477B:

"Help to Buy

477C. (1) In this section—

'appropriate payment' shall be construed in accordance with subsection (5); 20

'appropriate tax' has the meaning assigned to it by section 256;

'approved valuation', in relation to a self-build qualifying residence, means the valuation of the residence that, at the time the qualifying loan is entered into, is approved by the qualifying lender as being the valuation of the residence; 25

'first-time purchaser' means an individual who, at the time of a claim under subsection (3) has not, either individually or jointly with any other person, previously purchased or previously built, directly or indirectly, on his or her own behalf a dwelling;

'income tax payable' has the meaning assigned to it by section 3; 30

'loan' means any loan or advance, or any other arrangement whatever, by virtue of which interest is paid or payable;

'loan-to-value ratio' means the amount of the qualifying loan as a proportion of the purchase value of the qualifying residence or the self-build qualifying residence; 35

'PPS number', in relation to an individual, means the individual's personal public service number within the meaning of section 262 of the Social Welfare Consolidation Act 2005;

'purchase value' means—

(a) in the case of a qualifying residence, the price paid for the qualifying residence, being a price that is not less than its market value, or

(b) in the case of a self-build qualifying residence, the approved valuation;

'qualifying contractor' has the meaning assigned to it by subsection (2);

'qualifying lender' has the meaning assigned to it by section 244A(3);

'qualifying loan', means a loan, which—

(a) is used by the first-time purchaser wholly and exclusively for the purpose of defraying money employed in—

(i) the purchase of a qualifying residence, or

(ii) the provision of a self-build qualifying residence (including, in a case where such acquisition is required for its construction, the acquisition of land on which the residence is constructed),

(b) is entered into solely between a first-time purchaser and a qualifying lender, and

(c) is secured by the mortgage of a freehold or leasehold estate or interest in, or a charge on, a qualifying residence or a self-build qualifying residence;

'qualifying period' means the period commencing on 19 July 2016 and ending on 31 December 2019;

'qualifying residence' means a new building which was not previously used, or suitable for use, as a dwelling, and—

(a) which is occupied as the sole or main residence of a first-time purchaser,

(b) in respect of which the construction work is subject to the rate of tax specified in section 46(1)(c) of the Value-Added Tax Consolidation Act 2010, and

(c) where the purchase value is not greater than €600,000;

'Revenue officer' means an officer of the Revenue Commissioners;

'self-build qualifying residence' means a qualifying residence which is built, directly or indirectly, by a first-time purchaser on his or her own behalf;

'tax reference number' means in the case of an individual, the individual's PPS number or in the case of a company, the reference number stated on any return of income form or notice of assessment issued to that company by the Revenue Commissioners;

'VAT registration number', in relation to a person, means the registration number assigned to the person under section 65 of the Value-Added Tax Consolidation Act 2010.

(2) In this section, a 'qualifying contractor' means a person who applies to the Revenue Commissioners for registration as a qualifying contractor (pursuant to arrangements for such registration that are put in place by the Revenue Commissioners) and in respect of whom the Revenue Commissioners are satisfied is entitled to be so registered and—

(a) who—

(i) complies with the obligations referred to in section 530G or 530H, or

(ii) in the case of a contractor who is not a subcontractor to whom Chapter 2 of Part 18 applies, complies with the obligations referred to in subparagraph (i), other than the obligations referred to in paragraphs (a) and (b) of subsection (1) of section 530G or 530H,

(b) who has been issued with a tax clearance certificate in accordance with section 1095 and such tax clearance certificate has not been rescinded under subsection (3A) of that section, and

(c) who provides to the Revenue Commissioners—

(i) details of qualifying residences which the contractor proposes to construct within the qualifying period,

(ii) details of any planning permission under the Planning and Development Acts 2000 to 2015 in respect of the qualifying residences referred to in subparagraph (i),

(iii) details of the freehold or leasehold estate or interest in the land on which the qualifying residences referred to in subparagraph (i) are to be constructed, and

(iv) any other relevant information that may be required by the Revenue Commissioners for the purposes of registration of a person as a qualifying contractor.

(3) Where an individual has, in the qualifying period, either—

(a) entered into a contract with a qualifying contractor for the purchase by that individual of a qualifying residence, that is not a self-build qualifying residence, or

(b) drawn down the first tranche of a qualifying loan in respect of that individual's self-build qualifying residence,

that individual may make a claim for an appropriate payment.

(4) On the making of a claim by an individual referred to in subsection (3), a payment (in this section referred to as an 'appropriate payment') shall, subject to the provisions of this section, be made in accordance

with subsection (16).

(5) (a) An appropriate payment in relation to a qualifying residence or a self-build qualifying residence under this section shall not be greater than whichever of the amounts referred to in the following subparagraphs is the lesser, namely:

(i) the amount of €20,000,

(ii) the amount of income tax payable and paid by the claimant in respect of the 4 tax years immediately preceding the year in which an application is made under subsection (6), or

(iii) the amount equal to 5 per cent of the purchase value of the qualifying residence or self-build qualifying residence, as the case may be.

(b) In paragraph (a)(ii), income tax paid shall include any amount of appropriate tax which has, in accordance with sections 257 and 267AA, been deducted from payments of relevant interest made to the claimant in the 4 tax years immediately preceding the year in which an application is made under subsection (6).

(c) The amount of appropriate tax referred to in paragraph (b) shall be reduced by the amount of any appropriate tax repaid to the claimant under section 266A.

(d) Notwithstanding Chapter 1 of Parts 44 and 44A, where section 1017 or 1031C applied in respect of a tax year, the amount of income tax paid by a claimant, for the purposes of paragraph (a)(ii) shall be determined by the following formula—

$$\frac{A \times C}{B}$$

where—

A is the amount of the total income (if any) of the claimant for the tax year,

B is the sum of the amount of the total income (if any) of the claimant and the amount of the total income (if any) of the claimant's spouse or civil partner, and

C is the amount of income tax paid for the tax year.

(e) An appropriate payment under this section shall be made—

(i) in the first instance as a refund of income tax paid by the claimant in respect of the 4 tax years referred to in paragraph (a)(ii), commencing with the earliest of those years, and followed by each succeeding year, and

(ii) thereafter as a refund of the amount of appropriate tax paid by the claimant in respect of the 4 tax years referred to in paragraph (a)(ii), commencing with the earliest of those years,

and followed by each succeeding year.

(6) (a) Prior to submitting a claim under subsection (3), an individual shall make an application to the Revenue Commissioners which shall include—

(i) an indication that he or she intends to make a claim under this section, 5

(ii) his or her name and PPS number, and

(iii) confirmation by the individual, where such is the case, that the conditions specified in paragraph (b) have been met.

(b) The conditions referred to in paragraph (a)(iii) are that— 10

(i) he or she is a first-time purchaser,

(ii) where the individual is a chargeable person within the meaning of Part 41A or, as appropriate, Part 41 for any of the 4 tax years immediately preceding the year in which the application is made, he or she has complied with the requirements of that Part 15 or, as appropriate, those Parts and has paid the amount of income tax payable and of universal social charge (within the meaning of Part 18D) which he or she is liable to pay, in respect of those 4 tax years,

(iii) where the individual is not a chargeable person within the 20 meaning of Part 41A or, as appropriate, Part 41 for any of the 4 tax years immediately preceding the year in which the application is made, he or she has made a return of income, in such form as the Revenue Commissioners may require and has paid the amount of income tax payable and of universal social 25 charge (within the meaning of Part 18D) which he or she is liable to pay, in respect of those 4 tax years, and

(iv) he or she has been issued with a tax clearance certificate in accordance with section 1095 and such tax clearance certificate has not been rescinded under subsection (3A) of that section. 30

(c) For the purposes of subparagraphs (ii) and (iii) of paragraph (b), an individual shall, in respect of a tax year, be deemed to have complied with the conditions referred to in those subparagraphs where he or she did not have any income liable to income tax or the universal social charge in the State for that tax year and completes 35 a declaration to that effect in respect of that tax year.

(d) Where section 1017 or 1031C applied in respect of a tax year, the individual who must meet the conditions referred to in subparagraphs (ii) and (iii) of paragraph (b) shall be the person assessed to tax under section 1017 or the nominated civil partner 40 within the meaning of section 1031A.

(7) For the purposes of subsections (5)(a)(i) and (6)(b)(i) and (ii)—

(a) an individual may elect to be deemed to have made his or her application under subsection (6) in the tax year 2016 where, in the period commencing on 19 July 2016 and ending on 31 December 2016, a contract referred to in subsection (3)(a) is entered into between the applicant and a qualifying contractor or, as appropriate, the first tranche of a qualifying loan referred to in subsection (3)(b) is drawn down by the applicant, provided the application is made on or before 31 March 2017, or

(b) an applicant may elect to be deemed to have made his or her application in the tax year 2016 where, in the period commencing on 1 January 2017 and ending on 31 March 2017, a contract referred to in subsection (3)(a) is entered into between the applicant and a qualifying contractor or, as appropriate, the first tranche of a qualifying loan referred to in subsection (3)(b) is drawn down by the applicant, provided the application is made on or before 31 May 2017,

and where an individual so elects, the application shall be deemed to have been made in the tax year 2016.

(8) (a) An application made in any tax year shall cease to be valid on the earlier of the following events:

(i) failure by the applicant to satisfy the conditions specified in subsection (6)(b);

(ii) on the rescission of the applicant's tax clearance certificate in accordance with subsection (3A) of section 1095; or

(iii) on the falling of 31 December in the tax year in which the application is made.

(b) Notwithstanding paragraph (a) and subsection (25), where an application is made under this section in the period commencing on 1 October and ending on 31 December in any of the tax years 2017, 2018 or 2019 (hereafter in this paragraph referred to as the 'first-mentioned period'), and the corresponding claim is made under subsection (3) in the period commencing on 1 January and ending on 31 March of the following year, the applicant shall be deemed to have made his or her claim in the first-mentioned period.

(9) Where an application is made under this section and more than one individual is a party to the application, each such individual shall—

(a) confirm that he or she is a first-time purchaser,

(b) satisfy the conditions specified in subsection (6)(b),

(c) consent to provide to the other parties his or her name, address and PPS number, and

(d) agree with each of the other parties as to the allocation between the parties of the amount of the appropriate payment and notify the Revenue Commissioners of such allocation.

(10) Subject to the conditions specified in subsection (6)(b) being satisfied, the Revenue Commissioners shall notify the applicant of the maximum appropriate payment that would, following the making of a claim under this section, be available to or in respect of the applicant.

(11) The loan-to-value ratio in respect of a claim under this section shall not be less than 70 per cent.

(12) (a) On making a claim under subsection (3), where the qualifying residence is other than a self-build qualifying residence, the claimant shall provide to the Revenue Commissioners—

(i) his or her name and PPS number,

(ii) the address of the qualifying residence,

(iii) the purchase value of the qualifying residence,

(iv) details of the qualifying lender,

(v) confirmation that a qualifying loan has been entered into,

(vi) the qualifying loan application number or reference number used by the qualifying lender,

(vii) the amount of the qualifying loan,

(viii) evidence of the qualifying loan entered into,

(ix) evidence of the contract entered into with a qualifying contractor,

(x) the amount of deposit payable by the claimant to the qualifying contractor,

(xi) the amount, if any, of deposit paid by the claimant to the qualifying contractor,

(xii) confirmation that, on its completion, the qualifying residence will be occupied by the claimant as his or her only or main residence, and

(xiii) in the case of a claimant referred to in subsection (16)(a)(i), details of the claimant's bank account to which the appropriate payment shall, subject to the qualifying contractor having satisfied the requirements of subsection (13), be made.

(b) A claimant shall satisfy himself or herself that the contractor is a qualifying contractor.

(13) Following the making of a claim in accordance with subsection (12), the qualifying contractor shall provide to the Revenue Commissioners—

(a) the contractor's name,

(b) the contractor's tax reference number and VAT registration number,

(c) the name of the claimant,

(d) the address of the qualifying residence,

(e) the purchase value of the qualifying residence,

(f) the amount of deposit payable by the claimant to the qualifying contractor,

(g) the amount, if any, of deposit paid by the claimant to the qualifying contractor, and

(h) in the case of a contract to which subsection (16)(a)(ii) applies, details of the qualifying contractor's bank account.

(14) On making a claim under subsection (3) in the case of a self-build qualifying residence, the claimant shall provide to the Revenue Commissioners—

(a) his or her name and PPS number,

(b) the address of the self-build qualifying residence,

(c) the purchase value of the self-build qualifying residence,

(d) details of the qualifying lender,

(e) confirmation that a qualifying loan has been entered into,

(f) the amount of the qualifying loan,

(g) confirmation that, on its completion, the self-build qualifying residence will be occupied by the claimant as his or her only or main residence, and

(h) details of the qualifying loan bank account to which the appropriate payment shall, subject to a solicitor, acting on behalf of the claimant having satisfied the requirements of subsection (15), be made.

(15) Following the making of a claim in accordance with subsection (14), a solicitor, acting on behalf of the claimant, shall provide to the Revenue Commissioners—

(a) the name of the claimant,

(b) the address of the self-build qualifying residence,

(c) evidence of the qualifying loan entered into between the claimant and the qualifying lender,

(d) evidence of the drawdown of the first tranche of the qualifying loan, and

(e) confirmation of the purchase value of the self-build qualifying residence.

(16) (a) Subject to the provisions of this section, the appropriate payment shall be made by the Revenue Commissioners—

(i) where in the period commencing on 19 July 2016 and ending on

31 December 2016, a contract referred to in subsection (3)(a) is entered into between the claimant and a qualifying contractor or, as appropriate, the first tranche of a qualifying loan referred to in subsection (3)(b) is drawn down by the claimant, to the claimant's bank account, 5

(ii) where in the period commencing on 1 January 2017 and ending on 31 December 2019, a contract referred to in subsection (3)(a) is entered into between the claimant and a qualifying contractor, to the qualifying contractor's bank account, or

(iii) where in the period commencing on 1 January 2017 and ending on 31 December 2019, the first tranche of a qualifying loan referred to in subsection (3)(b) is drawn down by the claimant, to the claimant's qualifying loan bank account. 10

(b) Where the appropriate payment is made in respect of a claimant to a qualifying contractor referred to in paragraph (a)(ii), the contractor shall treat the appropriate payment as a credit against the purchase price of the qualifying residence. 15

(c) Where paragraph (a)(ii) applies, the claimant shall consent to the appropriate payment in respect of him or her being paid by the Revenue Commissioners to the qualifying contractor. 20

(17) (a) On its completion, a qualifying residence or a self-build qualifying residence shall be occupied by the claimant as his or her only or main residence.

(b) (i) Where an appropriate payment is made on foot of a claim under this section, and the qualifying residence or self-build qualifying residence ceases to be occupied— 25

(I) by the claimant, or

(II) where more than one individual is a party to the claim, by all of those individuals,

within 5 years from occupation of the residence, the claimant shall, in accordance with subparagraph (ii), pay to the Revenue Commissioners an amount equal to the amount of the appropriate payment, or the lesser percentage there specified of the amount of the appropriate payment. 30

(ii) Where the residence ceases to be occupied as mentioned in subparagraph (i)— 35

(I) within the first year from occupation, the claimant shall, within 3 months from the residence ceasing to be so occupied, pay to the Revenue Commissioners an amount equal to the amount of the appropriate payment, 40

(II) within the second year from occupation, the claimant shall, within 3 months from the residence ceasing to be so occupied, pay to the Revenue Commissioners an amount

equal to 80 per cent of the amount of the appropriate payment,

(III) within the third year from occupation, the claimant shall, within 3 months from the residence ceasing to be so occupied, pay to the Revenue Commissioners an amount equal to 60 per cent of the amount of the appropriate payment,

(IV) within the fourth year from occupation, the claimant shall, within 3 months from the residence ceasing to be so occupied, pay to the Revenue Commissioners an amount equal to 40 per cent of the amount of the appropriate payment, or

(V) within the fifth year from occupation, the claimant shall, within 3 months from the residence ceasing to be so occupied, pay to the Revenue Commissioners an amount equal to 20 per cent of the amount of the appropriate payment.

(18) (a) Where, arising from a claim under this section, an appropriate payment has been made to an individual in respect of which that individual is not entitled, that individual shall, within 3 months from the date on which the appropriate payment was made, pay to the Revenue Commissioners an amount equal to the amount of the appropriate payment.

(b) (i) Where, arising from a claim under this section in respect of a self-build qualifying residence, an appropriate payment is made to an individual, the individual shall pay to the Revenue Commissioners an amount equal to the amount of the appropriate payment—

(I) where the self-build qualifying residence is not completed within 2 years from the date on which the appropriate payment was made by the Revenue Commissioners, or

(II) if within that 2 year period, there are, in the opinion of the Revenue Commissioners, reasonable grounds to believe that the self-build qualifying residence will not be completed within that period.

(ii) Payment to the Revenue Commissioners under subparagraph (i) shall be made within 3 months from the end of the 2 year period referred to in clause (I) of that subparagraph or, as appropriate, within 3 months from the Revenue Commissioners issuing notice to the individual to the effect that they had formed an opinion in accordance with clause (II) of that subparagraph.

(c) (i) Where arising from a claim under this section, other than a claim to which paragraph (b) refers, an appropriate payment is made directly to an individual (who is not a qualifying

contractor), the individual shall pay to the Revenue Commissioners an amount equal to the amount of the appropriate payment—

(I) if the qualifying residence is not subsequently purchased by the individual within 2 years from the date on which the appropriate payment was made by the Revenue Commissioners, or

(II) if within that 2 year period, there are, in the opinion of the Revenue Commissioners, reasonable grounds to believe that the purchase of the qualifying residence by the individual will not be completed within that period.

(ii) Payment to the Revenue Commissioners under subparagraph (i) shall be made within 3 months from the end of the 2 year period referred to in clause (I) of that subparagraph or, as appropriate, within 3 months from the Revenue Commissioners issuing notice to the individual to the effect that they had formed an opinion in accordance with clause (II) of that subparagraph.

(d) (i) Where, arising from a claim under this section, an appropriate payment claimed by an individual is paid directly to a qualifying contractor under subsection (16)(a)(ii), and—

(I) the qualifying residence is not subsequently purchased by the individual within 2 years from the date of the making of the appropriate payment by the Revenue Commissioners, or

(II) if within that 2 year period, there are, in the opinion of the Revenue Commissioners, reasonable grounds to believe that the purchase of the qualifying residence by the individual will not be completed within that period,

the qualifying contractor shall pay to the Revenue Commissioners an amount equal to the amount of the appropriate payment.

(ii) Payment to the Revenue Commissioners under subparagraph (i) shall be made within 3 months from the end of the 2 year period referred to in clause (I) of that subparagraph or, as appropriate, within 3 months from the Revenue Commissioners issuing notice to the qualifying contractor to the effect that they had formed an opinion in accordance with clause (II) of that subparagraph.

(e) For the purposes of paragraph (d), an individual referred to in that paragraph may notify the Revenue Commissioners where he or she has reasonable grounds to believe that the purchase of the qualifying residence by the individual will not be completed within the 2 year period referred to in that paragraph.

(f) Where the Revenue Commissioners are satisfied that a qualifying residence or self-build qualifying residence—

(i) is substantially complete at the end of the 2 year period referred to in paragraph (b), (c) or (d), and

(ii) is likely to be completed thereafter within a period of time that, in the opinion of the Revenue Commissioners, is a reasonable one (and such opinion shall be communicated to the person concerned),

the aforementioned 2 year period shall, for the purposes of those paragraphs, stand extended by the period referred to in subparagraph (ii).

(19) Where more than one individual is a party to the claim under this section and a liability arises under subsection (17) or (18) in respect of payment to the Revenue Commissioners of an amount equal to the amount of the appropriate payment, or part of such an amount, each party to the claim shall be liable jointly and severally.

(20) (a) Where a person who is liable to pay to the Revenue Commissioners an amount referred to in subsection (17)(b) or paragraph (a), (b), (c) or (d) of subsection (18) fails to pay that amount, a Revenue officer may, at any time, make an assessment or an amended assessment on that person for a year of assessment or accounting period, as the case may be, in an amount that, according to the best of that officer's judgement, ought to be charged on that person.

(b) A person aggrieved by an assessment or an amended assessment made on that person under this subsection may appeal the assessment or the amended assessment to the Appeal Commissioners, in accordance with section 949I, within the period of 30 days after the date of the notice of assessment or amended assessment.

(c) Where in accordance with paragraph (a), a Revenue officer makes an assessment or an amended assessment in an amount that, according to the best of that officer's judgement, ought to be charged on that person, the amount so charged shall for the purposes of paragraph (a) and section 1080 be deemed to be tax due and payable and shall carry interest as determined in accordance with subsection (2) of that section as if reference to the date when the tax became due and payable were a reference to the date the amount so charged is, under this section, payable to the Revenue Commissioners.

(d) Any liability to pay an amount to which paragraph (a) applies, including any interest thereon, which is due and unpaid by a qualifying contractor under this section shall be and remain a charge on the freehold or leasehold estate or interest in the land on which the qualifying residence was to be constructed, where the contractor retains such estate or interest in the land.

(e) Notwithstanding section 36 of the Statute of Limitations 1957, the charge referred to in paragraph (d) shall continue to apply, without

limit as to time, until such time as it is paid in full.

(21) An individual aggrieved by a decision by the Revenue Commissioners to refuse a claim under this section may appeal the decision to the Appeal Commissioners, in accordance with section 949I, within the period of 30 days of the notice of that decision.

(22) Anything required to be done by or under this section by the Revenue Commissioners may be done by any Revenue officer.

(23) Any application, claim, information, confirmation, declaration or documentation required by this section shall be given by electronic means and through such electronic systems as the Revenue Commissioners may make available for the time being for any such purpose, and the relevant provisions of Chapter 6 of Part 38 shall apply.

(24) Section 1021 shall not apply where an appropriate payment is made under this section.

(25) No application or claim may be made under this section after 31 December 2019.".

(2) Schedule 29 to the Principal Act is amended by inserting the following after "section 477B" in column 3:

"section 477C".

(3) Section 266A of the Principal Act is amended by inserting the following after subsection (2):

"(3) A claimant under section 477C who is in receipt of an appropriate payment under that section shall not be entitled to relief under this section in respect of the same dwelling.".

Amendment of section 825C of Principal Act (special assignee relief programme)

9. Section 825C of the Principal Act is amended—

(a) in subsection (2A) by substituting "2015 to 2020," for "2015, 2016 or 2017,", and

(b) in subsection (4)(b) by substituting "any of the tax years 2015 to 2020" for "2015, 2016 or 2017".

Amendment of section 823A of Principal Act (deduction for income earned in certain foreign states)

10. (1) Section 823A of the Principal Act is amended—

(a) in subsection (1) by substituting the following for the definition of "relevant state":

" 'relevant state' means, as regards the years of assessment 2012 to 2020, the Federative Republic of Brazil, the Russian Federation, the Republic of India, the People's Republic of China or the Republic of South Africa, and includes—

(a) as regards the years of assessment 2013 to 2020, the Arab Republic of Egypt, the People's Democratic Republic of Algeria, the Republic of Senegal, the United Republic of Tanzania, the Republic of Kenya, the Federal Republic of Nigeria, the Republic of Ghana and the Democratic Republic of the Congo, 5

(b) as regards the years of assessment 2015 to 2020, Japan, the Republic of Singapore, the Republic of Korea, the Kingdom of Saudi Arabia, the United Arab Emirates, the State of Qatar, the Kingdom of Bahrain, the Republic of Indonesia, the Socialist Republic of Vietnam, the Kingdom of Thailand, the Republic of Chile, the Sultanate of Oman, the State of Kuwait, the United Mexican States and Malaysia, and 10

(c) as regards the years of assessment 2017 to 2020, the Republic of Colombia and the Islamic Republic of Pakistan;",

(b) in subsection (3) by substituting "30 days" for "40 days", and 15

(c) in subsection (6) by substituting "2015 to 2020" for "2015, 2016 and 2017".

(2) *Paragraph (b)* of *subsection (1)* shall have effect for the years of assessment 2017, 2018, 2019 and 2020.

Amendment of section 472AA of Principal Act (relief for long-term unemployed starting a business) 20

11. Section 472AA of the Principal Act is amended in subsection (1) by substituting "31 December 2018" for "31 December 2016" in the definition of "new business".

Amendment of section 216A of Principal Act (rent-a-room relief)

12. As respects the year of assessment 2017 and subsequent years of assessment, section 216A of the Principal Act is amended, in subsection (5), by substituting "€14,000" for "€12,000". 25

Retirement benefits

13. (1) Part 30 of the Principal Act is amended—

(a) in section 787G—

(i) by inserting the following after subsection (4A): 30

"(4B) For the purposes of subsection (6), the administrator of a vested PRSA of a kind referred to in paragraph (c) of the definition of 'vested PRSA' in section 790D(1) shall be treated as making the assets of the PRSA available to the PRSA contributor on the date the contributor attains the age of 75 years or, where the contributor attained the age of 75 years prior to the date of passing of the *Finance Act 2016*, on the date of passing of that Act.", 35

and

(ii) in subsection (6), by substituting "where assets of a PRSA are treated under

subsection (4) or subsection (4B)" for "where assets of a PRSA are treated under subsection (4)",

(b) in section 787K, by inserting the following after subsection (2C):

"(2D) A PRSA product (within the meaning of Part X of the Pensions Act 1990) approved under section 94 of that Act, shall not cease to be an approved product where, notwithstanding anything contained in the terms of the product as approved— 5

(a) the PRSA administrator—

(i) pays a sum of a type described in clause (I) or (II) of section 787K(1)(c)(i), or 10

(ii) makes an amount available from assets of the PRSA of a type described in clause (III) or (IV) of section 787K(1)(c)(i),

and

(b) the PRSA is deemed to be a vested PRSA in accordance with section 790D(1A).", 15

and

(c) in section 790D—

(i) in subsection (1), by substituting the following for the definition of "vested PRSA":

" 'vested PRSA' means— 20

(a) a PRSA in respect of which assets of the PRSA have been made available to, or paid to, the PRSA contributor or to any other person, by the PRSA administrator on or after 7 November 2002, other than assets of a kind referred to in paragraphs (b), (c) and (d) of section 787G(3), and for the purposes of this definition the 25 provisions of subsections (4) and (4A) of section 787G shall apply,

(b) in the case of a PRSA that is a PRSA to which an individual is or was the contributor of additional voluntary PRSA contributions, such a PRSA where benefits become payable to the individual under the main scheme on or after 7 November 2002, or 30

(c) a PRSA in respect of which the PRSA contributor has attained the age of 75 years where, up to and including the date on which the contributor attained that age, no assets of the PRSA have been made available to, or paid to, the PRSA contributor or to any other person, other than a transfer of part of the assets to another PRSA 35 to which the contributor to the first mentioned PRSA is the contributor;",

and

(ii) by inserting the following after subsection (1):

"(1A) Where a PRSA contributor of a kind referred to in paragraph (c) of the 40

definition of 'vested PRSA' attains the age of 75 years in the circumstances referred to in that paragraph prior to the date of passing of the Finance Act 2016, the PRSA is deemed to become a vested PRSA on that date.".

(2) Schedule 23B to the Principal Act is amended—

(a) in paragraph 2, by inserting the following after subparagraph (ba):

"(bb) the individual is a PRSA contributor and the PRSA becomes a vested PRSA of a kind referred to in paragraph (c) of the definition of 'vested PRSA' in section 790D(1),",

and

(b) in paragraph 3, by inserting the following after subparagraph (da):

"(db) where the benefit crystallisation event is an event of a kind referred to in paragraph 2(bb), the aggregate of the amount of any cash sums and the market value of the assets in the PRSA at the date the individual attains the age of 75 years or, where the individual attained the age of 75 years prior to the date of passing of the *Finance Act 2016*, on the date of passing of that Act,".

(3) This section comes into operation on the passing of this Act.

Chapter 4

Income Tax, Corporation Tax and Capital Gains Tax

Living City Initiative

14. The Principal Act is amended—

(a) in section 372AAA, in the definition of "relevant house", by deleting "for use as a dwelling",

(b) in section 372AAB—

(i) in subsection (1)—

(I) in the definition of "letter of certification", by deleting paragraph (b),

(II) in the definition of "relevant local authority", by substituting "situated." for "situated;", and

(III) by deleting the definition of "total floor area",

and

(ii) in subsection (9), by substituting "€5,000." for "10 per cent of the market value of the building, structure or house immediately before that expenditure was incurred.",

(c) in section 372AAC—

(i) in subsection (1), by substituting the following for the definition of "qualifying expenditure":

" 'qualifying expenditure', in relation to capital expenditure incurred in the qualifying period on the conversion or the refurbishment of a qualifying premises and subject to subsection (1A), means, notwithstanding section 279, the lesser of—

(a) the aggregate of all such capital expenditure, and

(b) (i) where the person who incurred the capital expenditure is a company carrying on a trade from the qualifying premises, €1,600,000,

(ii) where the person who incurred the capital expenditure is a company who is letting the qualifying premises, €800,000, or

(iii) where the person who incurred the capital expenditure is an individual, €400,000,

and for the purposes of giving relief under this section, any reference to expenditure being incurred shall include a reference to expenditure deemed under any provision of Part 9 to be incurred;",

(ii) in subsection (1A), by inserting the following after "does not exceed €200,000,":

"or

where a company or companies are in receipt of rental income from letting the qualifying premises the qualifying expenditure incurred by each person for the purposes of this section, shall, if necessary and notwithstanding section 279, be reduced, such that the amount determined by the formula—

(A x 50 per cent) + (B x 25 per cent)

does not exceed €200,000,",

(iii) in subsection (6), by substituting "€5,000." for "10 per cent of the market value of the building, structure or house immediately before that expenditure was incurred.",

(iv) by substituting the following for subsection (8):

"(8) Notwithstanding any other provision of this section, this section shall not apply in respect of qualifying expenditure incurred on a qualifying premises where—

(a) a property developer, or a person who is connected (within the meaning of section 10) with the property developer is entitled to the relevant interest, within the meaning of section 269, in relation to that expenditure, and

(b) either of the persons referred to in paragraph (a) incurred the qualifying expenditure on that qualifying premises, or such expenditure was incurred by any other person connected (within the meaning of section 10) with the property developer.",

(v) by inserting the following after subsection (8):

"(8A) Where any part of qualifying expenditure has been or is to be met, directly or indirectly, by grant assistance or any other assistance which is granted by or through the State, any board established by statute, any public or local authority or any other agency of the State, then that qualifying expenditure shall be reduced by an amount equal to 3 times the sum received or receivable.",

and

(vi) by inserting the following after subsection (9):

"(10) A person shall not be entitled to allowances under this section while that person is regarded as an undertaking in difficulty for the purposes of the Commission Guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty[2].",

(d) by inserting the following after section 372AAC:

"Residential accommodation: capital allowances to lessors in respect of eligible expenditure incurred on the conversion and refurbishment of relevant houses

372AAD. (1) In this section—

'conversion' in relation to a building, structure or house, has the meaning given to it in section 372AAB;

'eligible expenditure', in relation to capital expenditure incurred in the relevant qualifying period on the conversion or the refurbishment of a special qualifying premises, and subject to subsection (2), means, notwithstanding section 279, the lesser of—

(a) the aggregate of all such capital expenditure, and

(b) (i) where the person who incurred the capital expenditure is a company, €800,000, or

(ii) where the person who incurred the capital expenditure is an individual, €400,000,

and, for the purposes of giving relief under this section, any reference to expenditure being incurred shall include a reference to expenditure deemed under any provision of Part 9 to be incurred;

'house' has the meaning given to it in section 372AAB;

'letter of certification' has the meaning given to it in section 372AAB;

'property developer' has the meaning given to it in section 372AAC;

'relevant qualifying period' means the period commencing on the date of coming into operation of this section and ending on 4 May 2020;

'special qualifying premises' means a relevant house—

(a) the site of which is wholly within a special regeneration area,

(b) which is used solely as a dwelling,

2 OJ No. C249, 31.7.2014, p.1

(c) in respect of which a letter of certification has issued, and

(d) is let on *bona fide* commercial terms for such consideration as might be expected to be paid in a letting of the relevant house negotiated on an arm's length basis.

(2) Notwithstanding the definition of eligible expenditure in subsection (1), where capital expenditure is incurred in the relevant qualifying period on a special qualifying premises by 2 or more persons, being either individuals or companies or individuals and companies, the amount of expenditure which is to be treated as eligible expenditure incurred by each person for the purposes of this section, shall, if necessary and notwithstanding section 279, be reduced, such that the amount determined by the formula—

(A x 50 per cent) + (B x 25 per cent)

does not exceed €200,000,

where—

A is the aggregate of all eligible expenditure incurred by the individual or individuals, and

B is the aggregate of all eligible expenditure incurred by the company or companies.

(3) (a) Subject to paragraph (b) and subsections (4) to (10), the provisions of the Tax Acts relating to the making of allowances or charges in respect of capital expenditure incurred on the construction or refurbishment of an industrial building or structure shall, notwithstanding anything to the contrary in those provisions, apply in relation to eligible expenditure on a special qualifying premises as if the special qualifying premises were, at all times at which it is a special qualifying premises, an industrial building or structure in respect of which an allowance is to be made for the purposes of income tax or corporation tax, as the case may be, under Chapter 1 of Part 9 by reason of its use for the purpose specified in section 268(1)(a).

(b) An allowance shall be given by virtue of this subsection in relation to any eligible expenditure on a special qualifying premises only in so far as that expenditure is incurred in the relevant qualifying period.

(4) In relation to eligible expenditure incurred in the relevant qualifying period on a special qualifying premises, section 272 shall apply as if—

(a) in subsection (3)(a)(ii) of that section the reference to 4 per cent were a reference to 15 per cent, and

(b) in subsection (4)(a) of that section the following were substituted for subparagraph (ii):

'(ii) where capital expenditure on the conversion or

refurbishment of the building or structure is incurred, 7 years beginning with the time when the building or structure was first used subsequent to the incurring of that expenditure.'.

(5) Relief under this section shall not be given unless the following information is provided to the Revenue Commissioners as part of the first claim made by the person in accordance with subsection (3):

(a) the name and PPS number or tax reference number of the person making the claim;

(b) the address of the special qualifying premises in respect of which the eligible expenditure was incurred;

(c) the unique identification number (if any) assigned to the special qualifying premises under section 27 of the Finance (Local Property Tax) Act 2012; and

(d) details of the aggregate of all eligible expenditure incurred by the person in respect of the special qualifying premises.

(6) Any claim made, or information required to be provided, to the Revenue Commissioners under this section, shall be made or provided by electronic means and through such electronic systems as the Revenue Commissioners may make available for the time being for any such purpose.

(7) Notwithstanding section 274(1), no balancing allowance or balancing charge shall be made in relation to a special qualifying premises by reason of any event referred to in that section which occurs more than 7 years after the special qualifying premises was first used subsequent to the incurring of the eligible expenditure on the conversion or refurbishment of the special qualifying premises.

(8) This section shall not apply where eligible expenditure incurred does not exceed €5,000.

(9) For the purposes only of determining, in relation to a claim for an allowance by virtue of subsection (3), whether and to what extent eligible expenditure incurred on the conversion or refurbishment of a special qualifying premises is incurred or not incurred in the relevant qualifying period, only such an amount of that eligible expenditure as is properly attributable to work on the conversion or refurbishment of the premises actually carried out during the relevant qualifying period shall (notwithstanding any other provision of the Tax Acts as to the time when any capital expenditure is or is to be treated as incurred) be treated as having been incurred in that period.

(10) Notwithstanding any other provision of this section, this section shall not apply in respect of eligible expenditure incurred on a special qualifying premises where—

(a) a property developer, or a person who is connected (within the

meaning of section 10) with the property developer is entitled to the relevant interest, within the meaning of section 269, in relation to that expenditure, and

(b) either of the persons referred to in paragraph (a) incurred the eligible expenditure on that special qualifying premises, or such expenditure was incurred by any other person connected (within the meaning of section 10) with the property developer.

(11) Where any part of eligible expenditure has been or is to be met, directly or indirectly, by grant assistance or any other assistance which is granted by or through the State, any board established by statute, any public or local authority or any other agency of the State, then that eligible expenditure shall be reduced by an amount equal to 3 times the sum received or receivable.

(12) Expenditure in respect of which a person is entitled to relief under this section shall not include any expenditure in respect of which that person is entitled to a deduction, relief or allowance under any other provision of the Tax Acts.

(13) A person shall not be entitled to allowances under this section while that person is regarded as an undertaking in difficulty for the purposes of the Commission Guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty.",

(e) in section 409F(2), in paragraph (a) of the definition of "area-based capital allowance", by substituting "372AC, 372AD, 372AAC or 372AAD" for "372AC, 372AD or 372AAC", and

(f) in Schedule 25B by inserting the following after the matter set out opposite Reference Number 38A:

"

38B.	Section 372AAB (residential accommodation: allowance to owner-occupiers in respect of qualifying expenditure incurred on the conversion and refurbishment of Georgian houses)	The amount the individual deducts from his or her total income for a year of assessment under section 372AAB(2) in respect of qualifying expenditure incurred on the conversion or refurbishment of a qualifying premises.

38C.	Section 372AAD (residential accommodation: capital allowances to lessors in respect of eligible expenditure incurred on the conversion and refurbishment of relevant houses)	An amount equal to— (a) the aggregate amount of allowances (including balancing allowances) made to the individual under Chapter 1 of Part 9 as that Chapter is applied by section 372AAD, including any such allowance or part of any allowances made to the individual for a previous tax year and carried forward from that previous tax year in accordance with Part 9, or (b) where full effect has not been given in respect of that aggregate for that tax year, the part of that aggregate to which full effect has been given for that tax year in accordance with section 278 and section 304 or 305, as the case may be, or any of those sections as applied or modified by any other provision of the Tax Acts.

”.

Amendment of section 97 of Principal Act (computational rules and allowable deductions)

15. (1) Section 97 of the Principal Act is amended by substituting the following for subsection (2J):

“(2J) (a) Notwithstanding subsection (2), but subject to the other provisions of this section (including paragraphs (b) and (c) of this subsection), the deduction authorised by subsection (2)(e) shall not exceed—

(i) 75 per cent of the deduction that would, but for this subsection, be authorised by subsection (2)(e) in respect of interest accrued on or after 7 April 2009 up to and including 31 December 2016,

(ii) 80 per cent of the deduction that would, but for this subsection, be authorised by subsection (2)(e) in respect of interest accrued on or after 1 January 2017 up to and including 31 December 2017,

(iii) 85 per cent of the deduction that would, but for this subsection, be authorised by subsection (2)(e) in respect of interest accrued on or after 1 January 2018 up to and including 31 December 2018,

(iv) 90 per cent of the deduction that would, but for this subsection, be authorised by subsection (2)(e) in respect of interest accrued on or after 1 January 2019 up to and including 31 December

2019, and

(v) 95 per cent of the deduction that would, but for this subsection, be authorised by subsection (2)(e) in respect of interest accrued on or after 1 January 2020 up to and including 31 December 2020, 5

on borrowed money employed in the purchase, improvement or repair of a premises which, at the time the interest accrues, is a residential premises.

(b) For the purposes of paragraph (a)—

(i) borrowed money employed on the construction of a residential premises on land in which the person chargeable has an estate or interest shall, together with any borrowed money which that person employed in the acquisition of such land, be deemed to be borrowed money employed in the purchase of a residential premises, 10 15

(ii) where a premises consists in part of residential premises and in part of premises which are not residential premises, paragraph (a) shall apply to the interest accrued on the part of the borrowed money employed in the purchase, improvement or repair of the premises that is attributable, on a just and reasonable basis, to residential premises, and 20

(iii) the interest on borrowed money referred to in paragraph (a) shall be treated as accruing from day to day.

(c) This subsection shall not apply in respect of interest accrued on or after 1 January 2021.". 25

(2) *Subsection (1)* shall come into operation on 1 January 2017.

Amendment of section 285A of Principal Act (acceleration of wear and tear allowances for certain energy-efficient equipment)

16. Section 285A of the Principal Act is amended—

(a) in subsection (2), by substituting "person" for "company" in both places where it occurs, 30

(b) by substituting the following for subsection (5):

"Subsection (2) shall not apply where the energy-efficient equipment is leased, let or hired to any person.",

and 35

(c) in subsection (8), by substituting "person" for "company".

Amendment of section 657 of Principal Act (averaging of farm profits)

17. (1) Section 657 of the Principal Act is amended—

(a) by inserting the following definitions in subsection (1):

" 'deferred tax' means the amount of income tax determined by the formula—

$$A - B$$

where—

A is the amount of income tax which would, apart from subsection (6A), be charged on an individual by virtue of subsection (6) in accordance with subsection (5) in respect of a year of assessment, and

B is the amount of income tax which would, apart from this section, be chargeable in accordance with Chapter 3 of Part 4 in respect of a year of assessment;

'specified return date for the chargeable period' has the same meaning as in section 959A;",

(b) by inserting the following after subsection (6)—

"(6A) (a) Where for a year of assessment an individual is by virtue of subsection (6) chargeable to income tax in respect of profits or gains from farming in accordance with subsection (5), that individual may, on including a claim in that behalf with the return required under Chapter 3 of Part 41A for the year of assessment, elect to defer payment of the deferred tax for that year of assessment.

(b) Where an individual duly elects in accordance with paragraph (a) in respect of a year of assessment, the deferred tax in respect of the year of assessment shall be payable in 4 equal instalments.

(c) The first instalment of the 4 instalments referred to in paragraph (b) shall be due and payable on or before the specified return date for the chargeable period of the year of assessment following the year of assessment in which the election, referred to in paragraph (a), is made and the remaining 3 instalments shall be due and payable respectively on or before each of the following 3 anniversaries of the date on which the first instalment was due and payable.

(d) An individual shall only be entitled to make an election in accordance with this subsection in a year of assessment provided an election has not been made in any of the 4 years of assessment immediately preceding such year of assessment.",

and

(c) in subsection (8) by—

(i) deleting "and" in paragraph (c),

(ii) substituting "assessment, and" for "assessment." in paragraph (d), and

(iii) inserting the following after paragraph (d):

"(e) notwithstanding section 959AA, there shall be made such assessment or assessments, if any, as may be necessary to secure the payment of any deferred tax which remains due and payable.".

(2) *Subsection (1)* shall apply for the year of assessment 2016 and subsequent years of assessment. 5

Amendment of section 288 of Principal Act (balancing allowances and balancing charges)

18. (1) Section 288(6A) of the Principal Act is amended in paragraph (a)(i) by substituting "the Minister for Agriculture, Food and the Marine in accordance with Council Regulation (EU) No. 508/2014 of the European Parliament and of the Council of 15 May 2014[3]" for "the Minister for Agriculture, Fisheries and Food in accordance with Council Regulation (EC) No. 1198/2006 of 27 July 2006". 10

(2) This section shall come into operation on such day as the Minister for Finance, with the consent of the Minister for Agriculture, Food and the Marine, may, by order, appoint.

Employment and investment incentive and seed capital scheme relief 15

19. (1) The Principal Act is amended—

(a) in section 502(7)(d)(i), by substituting "31st day of December" for "5th day of April",

(b) in section 507—

(i) in subsection (1), by substituting for "the annual reports required in accordance with Article 11 of Commission Regulation (EU) No. 651/2014 of 17 June 2014" the following: 20

"(a) the annual reports required in accordance with Article 11 of Commission Regulation (EU) No. 651/2014 of 17 June 2014[4], and

(b) publishing the following information in relation to all qualifying companies: 25

(i) the name of the company;

(ii) the address of the company;

(iii) the Companies Registration Office number of the company;

(iv) the amount of finance raised; 30

(v) the date of share issue and type of relief.",

(ii) in subsection (2), by substituting "Notwithstanding section 851A" for "Notwithstanding any obligation as to secrecy imposed on them by the Tax Acts or the Official Secrets Act 1963", and

(iii) in subsection (4), by substituting "section 851A" for "statute or otherwise", 35

and

3 OJ No. L149, 20.5.2014, p.1
4 OJ No. L 187, 26.6.2014, p.1

(c) in Schedule 25B, by deleting reference number 47A and the matter set out opposite that reference number.

(2) The amendments to section 507 of the Principal Act effected by *subsection (1)(b)* of this section shall apply to shares issued on or after 13 October 2015.

(3) *Subsection (1)(c)* applies as respects a subscription for eligible shares made on or after 1 January 2017.

Amendment of Part 8 of Principal Act (annual payments, charges and interest)

20. (1) Part 8 of the Principal Act is amended—

(a) in section 256(1) by substituting the following for the definition of "appropriate tax":

" 'appropriate tax', in relation to a payment of relevant interest, means—

(a) as respects the year of assessment 2017, a sum representing income tax on the amount of the payment at the rate of 39 per cent,

(b) as respects the year of assessment 2018, a sum representing income tax on the amount of the payment at the rate of 37 per cent,

(c) as respects the year of assessment 2019, a sum representing income tax on the amount of the payment at the rate of 35 per cent, and

(d) as respects the year of assessment 2020 and each subsequent year of assessment, a sum representing income tax on the amount of the payment at the rate of 33 per cent;",

and

(b) in section 267M by substituting the following for subsection (2):

"(2) (a) Notwithstanding section 15 and subject to paragraph (aa), where the taxable income of an individual includes—

(i) specified interest, the part of taxable income, equal to that specified interest, shall be chargeable to tax at the rate specified in the definition of 'appropriate tax' in section 256(1), or

(ii) foreign deposit interest, so much of the part of taxable income, equal to that foreign deposit interest, as would otherwise be chargeable to tax at the standard rate, shall instead be chargeable to tax at the rate specified in the definition of 'appropriate tax' in section 256(1).

(aa) Notwithstanding paragraph (a), where any liability of the individual for a year of assessment in respect of the specified interest or foreign deposit interest, as the case may be, has not been discharged on or before the specified return date for the chargeable period (within the meaning of section 959A) for that year, then the part of taxable income, equal to that specified interest or that foreign deposit interest, shall be chargeable to tax at the rate of tax described in the Table to section 15 as the higher rate.".

(2) *Subsection (1)* applies to relevant interest, specified interest or foreign deposit interest, as the case may be, received or paid on or after 1 January 2017.

Amendment of section 110 of Principal Act (securitisation)

21. Section 110 of the Principal Act is amended—

(a) in subsection (1) in the definition of "qualifying company" by— 5

(i) substituting the following for paragraph (f):

"(f) which has notified in writing the authorised officer in a form prescribed by the Revenue Commissioners that it is or intends to be a company to which paragraphs (a) to (e) apply and has supplied such other particulars relating to the company as may be specified 10 on the prescribed form including details concerning the—

(i) type of transaction,

(ii) assets acquired,

(iii) originator,

(iv) intra-group transactions, and 15

(v) connected parties,

not later than 8 weeks from the day referred to in paragraph (e), and where information required is not available at the time the written notification is provided to the authorised officer, that information should be provided without undue delay upon becoming 20 available,",

and

(ii) substituting "(4A), (5) and (5A)" for "(4A) and (5)",

(b) in subsection (4) by substituting "(4A), (5) and (5A)" for "(4A) and (5)", and

(c) by inserting the following after subsection (5): 25

"(5A) (a) In this subsection—

'arrangement' includes any agreement, understanding, scheme, transaction or series of transactions;

'CLO transaction' means a securitisation transaction entered into by a qualifying company which is carried out in conformity with— 30

(a) a prospectus, within the meaning of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003[5],

(b) listing particulars, where any securities issued by the qualifying company are listed on an exchange, other than the main exchange, of a relevant Member State, or 35

(c) where the securities issued by the qualifying company will not be listed on an exchange in the State or a relevant Member

5 OJ No. L354, 31.12.2003, p.64

State, legally binding documents,

that provide for—

(i) a warehousing period, which for the purposes of this subsection means a period not exceeding 3 years during which time the qualifying company is preparing to issue securities, and

(ii) investment eligibility criteria that govern the type and quality of assets to be acquired,

and where, based on the documents referred to in paragraphs (a) to (c) and the activities of the qualifying company, it would not be reasonable to consider that the main purpose, or one of the main purposes, of the qualifying company was to acquire specified mortgages;

'CMBS/RMBS transaction' means a securitisation transaction entered into by the qualifying company where—

(a) the originator (within the meaning of paragraph (a) of the definition of 'originator' in Article 4 of the CRR) retains a net economic interest in the credit risk of the securitisation position in accordance with Article 405 of the CRR, or

(b) an originator (within the meaning of paragraph (b) of the definition of 'originator' in Article 4 of the CRR) retains a net economic interest in the credit risk of the securitisation position in accordance with Article 405 of the CRR and is a financial institution (within the meaning of the CRR) or credit institution (within the meaning of the CRR) regulated by a competent authority in a relevant Member State or the State or is authorised by a third country authority, recognised by the European Commission as having supervisory and regulatory arrangements at least equivalent to those applied in a relevant Member State or the State, to carry out similar activities;

'CRR' means Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013[6];

'EEA state' means a state, not being a Member State or the State, which is a contracting party to the Agreement on the European Economic Area signed at Oporto on 2 May 1992 as adjusted by the Protocol signed at Brussels on 17 March 1993;

'loan origination business' means the making of an advance, other than a specified security—

(a) in respect of which the qualifying company is the original creditor, or

(b) that is acquired by the qualifying company on or about the date on which it was advanced,

6 OJ No. L176, 27.6.2013, p.1

provided that such advance is not made as a result of a novation or refinancing of a specified mortgage, other than for *bona fide* commercial reasons and did not form part of an arrangement the main purpose, or one of the main purposes, of which was to avoid the application of this subsection; 5

'relevant Member State' means a Member State, other than the State, or not being such a Member State, an EEA state;

'securitisation' means a securitisation within the meaning of the CRR;

'specified mortgage' means— 10

(a) a loan which is secured on, and which derives its value from, or the greater part of its value from, directly or indirectly, land in the State, or

(b) a specified agreement which derives all of its value, or the greater part of its value, directly or indirectly, from land in the State or a loan to which paragraph (a) applies; 15

'specified property business', in relation to a qualifying company, means the whole, or part, of the business of the qualifying company that involves the holding, managing or both the holding and managing of specified mortgages, and shall not include— 20

(a) a CLO transaction,

(b) a CMBS/RMBS transaction, or

(c) a loan origination business,

where the qualifying company, in respect of paragraphs (a) or (b), apart from activities incidental or preparatory to that transaction or business, carries on no other activities; 25

'specified security' means a security where subsection (4) would, or would but for this subsection, apply to any interest or other distribution payable thereon.

(b) (i) In calculating the portion of the value of a loan or specified agreement attributable directly or indirectly to land in the State for the purposes of paragraph (a), account shall not be taken of any arrangement that— 30

(I) involves a transfer of assets, other than a specified mortgage, from a person connected with the qualifying company, and 35

(II) the main purpose, or one of the main purposes, of which is the avoidance of tax.

(ii) In calculating the portion of the value of each loan or specified agreement attributable directly or indirectly to land in the State for the purposes of paragraph (a), regard shall be had to the gross value of the assets from which the specified mortgage derives its value of 40

which the land in the State is part.

(c) (i) Notwithstanding the generality of section 70(1), the profits arising to a qualifying company from its specified property business shall be treated for the purposes of the Tax Acts, other than any provision relating to the commencement or cessation of a trade, as a separate business which is distinct from any other business or part of a business carried on by the qualifying company.

(ii) For the purposes of treating the specified property business of a qualifying company as a separate business, in accordance with subparagraph (i), any necessary apportionment shall be made so that expenses laid out or expended in earning the profits of that separate business shall be attributed to the separate business on a just and reasonable basis and the amount of the expenses so apportioned shall be an amount which would be attributed to a distinct and separate company, engaged in the same activities, if it were independent of, and dealing at arm's length with, the qualifying company.

(d) Subject to subsections (4A) and (5), subsection (4) shall only apply to the calculation of the profits of a specified property business of a qualifying company in respect of so much of any interest or other distribution payable in respect of a specified security—

(i) as is paid by a qualifying company to—

(I) a person —

(A) being an individual who is within the charge to income tax, or

(B) in any other case, who is or will be within the charge to corporation tax,

in the State in respect of that interest or other distribution where an amount of tax would be chargeable, within the meaning of Part 41A, on that person in respect of that income,

(II) a fund approved under section 774, 784(4) or 785(5), a PRSA within the meaning of section 787A, a person exempt from income tax under section 790B or a fund authorised by a Member State or an EEA state and subject to supervisory and regulatory arrangements at least equivalent to the supervisory and regulatory arrangements applied to those funds in the State, or

(III) a person (referred to in this clause as the 'non-resident person') who—

(A) being an individual is a national of a relevant Member State, or

(B) being a company that is formed under the laws of, and is registered in, a relevant Member State,

where under the laws of any relevant Member State the interest or other distribution is subject, without any reduction computed by reference to the amount of such interest or other distribution, in respect of any interest or other distribution which is to any extent dependent on the interest or other distribution payable on the specified security, or in respect of any imputed, deemed or notional expenses calculated by reference to an amount of debt, equity or hybrid financing, including convertible preference equity certificates, to a tax which generally applies to income or profits (other than gains), received in that state, by persons, from sources outside that state where it would be reasonable to consider that—

(AA) the holding of the specified security by the non-resident person does not form part of any arrangement or scheme the main purpose, or one of the main purposes, of which is the avoidance of a liability to tax, and

(AB) where the non-resident person is a company, genuine economic activities, relevant to the holding of the specified security, are carried on by the non-resident person in any relevant Member State,

(ii) as on the creation of the specified security, would represent no more than a reasonable commercial return which is not dependent on the results of the qualifying company for the use of that principal, and

(iii) from which tax has been properly deducted at the standard rate in force at the time of the payment in accordance with section 246(2).

(e) (i) Subject to subparagraph (ii), this subsection shall apply to accounting periods commencing on or after 6 September 2016.

(ii) Where the accounting period of a company begins before 6 September 2016 and ends after that date, for the purposes of this subsection, that accounting period shall be divided into 2 parts, one beginning on the date on which the accounting period begins and ending on 5 September 2016 and the other beginning on 6 September 2016 and ending on the date on which the accounting period ends.".

Amendment of Part 27 of Principal Act (unit trusts and offshore funds)

22. Part 27 of the Principal Act is amended—

(a) in section 739B(1) by substituting "In this Chapter, in Chapter 1B and in Schedule 2B" for "In this Chapter and in Schedule 2B", and

(b) by inserting the following after Chapter 1A:

"CHAPTER 1B

Irish real estate funds

Interpretation

739K. (1) In this Chapter—

'accounting period' means the period for which an investment undertaking makes up its accounts and subsections (2) and (3) of section 27 shall have application for the purposes of determining the accounting period of an investment undertaking;

'arrangement' includes any agreement, understanding, scheme, transaction or series of transactions;

'EEA state' means a state, not being a Member State or the State, which is a contracting party to the Agreement on the European Economic Area signed at Oporto on 2 May 1992 as adjusted by the Protocol signed at Brussels on 17 March 1993;

'IREF' means an investment undertaking, other than within the meaning of paragraph (b) of the definition of 'investment undertaking' in section 739B, or, where that investment undertaking is an umbrella scheme, a sub-fund of an investment undertaking—

(a) in which 25 per cent or more of the market value of the assets is derived directly or indirectly from IREF assets, or

(b) where paragraph (a) does not apply, it would be reasonable to consider that the main purpose, or one of the main purposes, of the investment undertaking was to acquire IREF assets or carry on an IREF business,

and where this Chapter applies to a sub-fund of an umbrella scheme, for the purposes of the calculation, assessment and collection of any tax due under this Chapter, each sub-fund of such umbrella scheme shall be treated as a separate legal person;

'IREF assets' means land in the State held by an IREF and any other assets used in the carrying on of the IREF business which derive their value, or the greater part of their value, from land in the State;

'IREF business' means activities involving land in the State which, apart from section 739C—

(a) would be regarded as dealing in or developing land, within the meaning of section 640,

(b) would be chargeable to tax under Case V of Schedule D,

(c) involve holding land in the State, or other assets which derive their value or the greater part of their value directly or indirectly from land in the State, the disposal of which would be chargeable to capital gains tax, or

(d) would be regarded as trading in land, chargeable to tax under Case

I of Schedule D.

'IREF profits' means, subject to section 739M, the total of profits and gains of each of the matters referred to in paragraphs (a) to (d) of the definition of 'IREF business', calculated in accordance with the Tax Acts and the Capital Gains Tax Acts, as appropriate;

'IREF taxable event' in respect of a unit holder means—

(a) the making of a relevant payment by the IREF, or

(b) the redemption of units from a unit holder to the extent the amount of that redemption is attributable to IREF profits;

'IREF withholding tax', in relation to an IREF taxable event, means a sum representing income tax at a rate of 20 per cent on the amount of the IREF taxable event;

'specified person' means a unit holder in respect of which—

(a) under section 739E no income tax arises on the amount of the gain arising to an investment undertaking,

(b) under section 739G an amount is treated as income arising to the unit holder or a payment from an offshore fund, or

(c) a gain is not treated as arising to an investment undertaking on the happening of a chargeable event under subsection (7), (7A), (7B), (8), (8A) or (8B) of section 739D,

but shall not include—

(i) a fund approved under section 774, 784(4) or 785(5), a PRSA within the meaning of section 787A, or a person exempt from income tax under section 790B, whether that fund holds the units directly or indirectly,

(ii) an investment undertaking,

(iii) a life assurance fund (within the meaning of Part 26), or

(iv) a fund or undertaking, referred to in paragraphs (i) to (iii), authorised by a Member State or an EEA state and subject to supervisory and regulatory arrangements at least equivalent to those applied to those funds or investment undertakings, as the case may be, in the State;

'umbrella scheme' has the meaning given to it in section 739B.

(2) In calculating the portion of the market value of assets of an investment undertaking attributable directly or indirectly to land in the State for the purposes of determining whether or not an investment undertaking is an IREF—

(a) account shall not be taken of any arrangement that—

(i) involves a transfer of assets, other than land in the State, from a person connected with the investment undertaking or a unit

holder in the investment undertaking, and

(ii) the main purpose or one of the main purposes of which is the avoidance of tax under this Chapter,

and

(b) regard shall be had to the gross value of the assets of which the land in the State is part.

Capital gains on investment properties

739L. Where an IREF acquired land in the State for consideration equal to its market value and continues to own that land for a period of at least 5 years from the date it was acquired, no chargeable gain shall arise on the disposal of that land to a person unconnected with the IREF or any of its investors.

Withholding tax arising on IREF taxable event

739M. (1) On the happening of an IREF taxable event in respect of a specified person—

(a) the IREF shall deduct IREF withholding tax, in relation to the IREF taxable event, out of the amount of the IREF taxable event,

(b) the specified person shall allow such deduction referred to in paragraph (a) on the receipt of the residue of the IREF taxable event, and

(c) the IREF shall be acquitted and discharged of so much money as is represented by the deduction referred to in paragraph (a) as if that amount of money had actually been paid to the specified person.

(2) The amount of any relevant payment to a unit holder shall be regarded as income chargeable to tax under Case IV of Schedule D, and under no other Case or Schedule, and that part of the taxable income of the unit holder that includes an IREF taxable event shall be charged to tax at the rate of 20 per cent.

Returns, payment and collection of IREF withholding tax

739N.(1) Notwithstanding any other provision of the Tax Acts, this section shall apply for the purposes of regulating the time and manner in which IREF withholding tax shall be accounted for and paid.

(2) An IREF shall for each accounting period make to the Collector-General a return of the IREF withholding tax in connection with an accounting period—

(a) which ends on or before 30 June in a financial year, within 30 days of 30 June, and

(b) which ends between 1 July and 31 December, within 30 days of that later date.

(3) The IREF withholding tax which is required to be included in a return shall be due at the time by which the return is to be made and shall be

paid by the IREF to the Collector-General.

Application of Chapter 1A to IREFs

739O. Chapter 1A shall apply to IREFs other than as provided for in this Chapter.

Application of this Chapter 5

739P. This Chapter shall apply to—

(a) accounting periods commencing on or after 1 January 2017, or

(b) where an investment undertaking's immediately preceding accounting period ended on or after 31 December 2015 and a decision was made after 20 October 2016 to change the accounting 10 period such that paragraph (a) would not apply, that accounting period commencing on or after 20 October 2016.".

CHAPTER 5

Corporation Tax

Amendment of section 891H of Principal Act (country-by-country reporting) 15

23. (1) Section 891H of the Principal Act is amended—

(a) by substituting the following for subsection (1):

"(1) In this section—

'constituent entity', 'MNE group', 'qualifying competent authority agreement', 'surrogate parent entity', 'systemic failure' and 'ultimate 20 parent entity' have the meanings given to them respectively by Article 1 of the OECD model legislation;

'competent authority' means a competent authority for the purposes of a qualifying competent authority agreement;

'country-by-country report', in relation to an MNE group, means a 25 report that contains the information set out in subsection (4);

'domestic constituent entity' means a constituent entity, that is resident for the purposes of tax in the State, but does not include—

(a) an ultimate parent entity,

(b) a surrogate parent entity, or 30

(c) an EU designated entity;

'equivalent country-by-country report' means a country-by-country report but only to the extent the information required to be included in that report is within the possession of, or is obtained or acquired by, a domestic constituent entity; 35

'EU designated entity' means a constituent entity of an MNE group, not being an ultimate parent entity or surrogate parent entity, that—

(a) is resident in a Member State for tax purposes, and

(b) has been designated as an entity by that MNE group to provide a country-by-country report on behalf of all constituent entities of the MNE group resident for tax purposes in a Member State;

'fiscal year' means an annual accounting period, or any such shorter accounting period, with respect to which the ultimate parent entity of the MNE group prepares its financial statements;

'income tax' means income tax or corporation tax or any foreign tax that corresponds to income tax or corporation tax in the State;

'OECD' means the Organisation for Economic Co-operation and Development;

'OECD model legislation' means the Model Legislation Related to Country-by-Country Reporting contained in Annex IV to Chapter V of the OECD Report of 2015;

'OECD Report of 2015' means the 'Transfer Pricing Documentation and Country-by-Country Reporting, Action 13 – 2015 Final Report' published by the OECD on 5 October 2015;

'reporting entity' has the meaning given to it by Article 1 of the OECD model legislation and shall be deemed to include an EU designated entity;

'TIN' means a unique identification number allocated to a constituent entity by a jurisdiction for the purposes of income tax and, in relation to the State, means a tax reference number within the meaning of section 885.",

(b) in subsection (4)(b)(i) by inserting "and TIN" after "identification",

(c) by substituting the following for subsection (6):

"(6) Regulations made under this section may, in particular—

(a) make provision for a surrogate parent entity or an EU designated entity, as the case may be, to provide a country-by-country report to the Revenue Commissioners,

(b) make provision for a domestic constituent entity to provide a country-by-country report or an equivalent country-by-country report to the Revenue Commissioners,

(c) determine the date by which a surrogate parent entity or an EU designated entity is required to provide a country-by-country report, or a domestic constituent entity is required to provide a country-by-country report or an equivalent country-by-country report, as the case may be, to the Revenue Commissioners,

(d) make provision to amend the information to be included in an equivalent country-by-country report required to be provided by a domestic constituent entity,

(e) require an ultimate parent entity, a surrogate parent entity, an EU designated entity or a domestic constituent entity, as the case may be, to notify the Revenue Commissioners within the period specified, and in such manner as is specified, that the ultimate parent entity, surrogate parent entity, EU designated entity or domestic constituent entity, as the case may be, are such entities,

(f) require a domestic constituent entity to notify the Revenue Commissioners, within the period specified, and in such manner as is specified, of the identity and jurisdiction of tax residence of the reporting entity,

(g) provide for the serving of a notice to a domestic constituent entity that there has been a systemic failure by the state of tax residence of the ultimate parent entity,

(h) specify and modify, as required, the manner and form in which a country-by-country report or an equivalent country-by-country report is to be provided,

(i) make provision as to how information contained in a country-by-country report or an equivalent country-by-country report is to be used,

(j) make provision for preserving the confidentiality of the information contained in a country-by-country report or an equivalent country-by-country report,

(k) require a domestic constituent entity of an MNE group to request from the ultimate parent entity of that MNE group all the information required to complete a country-by-country report for the MNE group and, where the ultimate parent entity refuses to so provide all of the required information, require that domestic constituent entity to notify the Revenue Commissioners of that refusal within such period and in such manner as may be specified, and

(l) contain such supplemental and incidental matters as appear to the Revenue Commissioners to be necessary—

(i) to enable entities to fulfil their obligations under this section or regulations made under this section, and

(ii) for the operation, administration and implementation of this section or regulations made under this section.”,

(d) in subsection (7)—

(i) in paragraph (a) by inserting “or an equivalent country-by-country report” after “country-by-country report”, and

(ii) in paragraph (b) by substituting “incorrect country-by-country report or equivalent country-by-country report, or an incomplete country-by-country report,” for “incorrect or incomplete country-by-country report”,

(e) in subsection (8)—

(i) in paragraph (a) by inserting "or an equivalent country-by-country report" after "country-by-country report",

(ii) in paragraph (b)(ii) by inserting "or equivalent country-by-country report, as the case may be," after "country-by-country report", and 5

(iii) in paragraph (c)(ii) by inserting "or an equivalent country-by-country report" after "country-by-country report",

and

(f) in subsection (10) by inserting ", in relation to a state other than a Member State," after "provided that". 10

(2) This section applies as respects accounting periods ending on or after the date of the passing of this Act.

Amendment of Part 38 of Principal Act (returns of income and gains, other obligations and returns, and Revenue powers)

24. (1) Part 38 of the Principal Act is amended by inserting the following section after section 891G: 15

"Disclosure of certain information for the purposes of administrative cooperation in the field of taxation

891GA. (1) This section provides for the disclosure by the competent authority of information connected with or supplementing the information required to be exchanged under the Regulations. 20

(2) In this section—

'advance cross-border ruling' has the same meaning as it has in the Directive;

'advance pricing arrangement' has the same meaning as it has in the Directive; 25

'competent authority' means the Revenue Commissioners acting as the competent authority for the purposes of the Directive;

'Directive' means Council Directive 2011/16/EU of 15 February 2011[7] on administrative cooperation in the field of taxation and repealing Directive 77/799/EEC, as amended by Council Directive 2014/107/EU of 9 December 2014[8] and Council Directive (EU) 2015/2376 of 8 December 2015[9]; 30

'exchange information' means the information described in Article 8a of the Directive that is required to be communicated by the competent authority under the Regulations; 35

'Regulations' means the European Union (Administrative Cooperation in the Field of Taxation) Regulations 2012;

7 OJ No. L64, 11.3.2011, p.1
8 OJ No. L359, 16.12.2014, p.1
9 OJ No. L332, 18.12.2015, p.1

'relevant instrument' means an advance cross-border ruling or an advance pricing arrangement.

(3) The competent authority may, when providing exchange information in respect of a relevant instrument, provide the following information connected with or supplementary to that exchange information: 5

(a) the reference, if any, assigned by the Revenue Commissioners to the relevant instrument;

(b) where the relevant instrument is related to or connected with any other relevant instrument, information for the purpose of identifying that other relevant instrument; 10

(c) in respect of a person to whom the relevant instrument relates, that person's—

(i) main business activity,

(ii) annual turnover, and

(iii) annual profits or losses; 15

(d) whether an address provided in respect of a person is that person's—

(i) business address,

(ii) legal address, or

(iii) other form of address; 20

(e) in respect of an advance pricing arrangement which uses more than one transfer pricing methodology, an explanation as to why more than one methodology was used; and

(f) such other information as may be specified in a standard form adopted by the European Commission for the purpose of complying with its obligations under Article 20(5) of the Directive. 25

(4) The competent authority may delegate to any of its officers any of the functions to be performed by the competent authority under this section.".

(2) *Subsection (1)* comes into operation on such day as the Minister for Finance may appoint by order. 30

Chapter 6

Capital Gains Tax

Amendment of section 597AA of Principal Act (revised entrepreneur relief)

25. (1) Section 597AA of the Principal Act is amended in subsection (3) by substituting "10 per cent" for "20 per cent". 35

(2) This section applies to disposals made on or after 1 January 2017.

Non-resident trusts

26. The Principal Act is amended in Chapter 3 of Part 19—

(a) in section 579 by substituting the following for subsection (6):

"(6) This section shall not apply—

(a) in relation to a loss accruing to the trustees of the settlement, or 5

(b) where it is shown to the satisfaction of the Revenue Commissioners that the settlement was established for *bona fide* commercial reasons and did not form part of an arrangement of which the main purpose or one of the main purposes was the avoidance of liability to capital gains tax.", 10

and

(b) in section 579A by inserting the following after subsection (9):

"(9A) This section shall not apply where it is shown to the satisfaction of the Revenue Commissioners that the settlement was established for *bona fide* commercial reasons and did not form part of an arrangement of 15 which the main purpose or one of the main purposes was the avoidance of liability to capital gains tax.".

Amendment of section 598 of Principal Act (disposals of business or farm on "retirement")

27. (1) Section 598(3A) of the Principal Act is amended by substituting "the Minister for 20 Agriculture, Food and the Marine in accordance with Regulation (EU) No. 508/2014 of the European Parliament and of the Council of 15 May 2014[10]" for "the Minister for Agriculture, Fisheries and Food in accordance with Council Regulation (EC) No. 1198/2006 of 27 July 2006".

(2) This section shall come into operation on such day as the Minister for Finance, with 25 the consent of the Minister for Agriculture, Food and the Marine, may, by order, appoint.

Amendment of section 604B of Principal Act (relief for farm restructuring)

28. (1) Section 604B(1)(a) is amended in the definition of "relevant period" by substituting "31 December 2019" for "31 December 2016". 30

(2) This section shall come into operation on such day as the Minister for Finance may by order appoint.

Amendment of section 613 of Principal Act (miscellaneous exemptions for certain kinds of property)

29. (1) The Principal Act is amended in section 613 by substituting the following for 35 subsection (7):

"(7) (a) No chargeable gain shall arise on the receipt of an amount of

10 OJ No. L149, 20.5.2014, p.1

compensation in money or money's worth under the Cessation of Turf Cutting Compensation Scheme or the Protected Raised Bog Restoration Incentive Scheme administered by the Minister for Arts, Heritage, Regional, Rural and Gaeltacht Affairs, relating to—

(i) a European Site (within the meaning of Regulation 2 of the European Communities (Birds and Natural Habitats) Regulations 2011 (S.I. No. 477 of 2011)) that contains raised bog,

(ii) a Natural Heritage Area (within the meaning of section 2 of the Wildlife Act 1976 (No. 39 of 1976)) that contains raised bog, or

(iii) any other lands which, in the opinion of the Minister for Arts, Heritage, Regional, Rural and Gaeltacht Affairs, are necessary to achieve the restoration of a European Site or Natural Heritage Area, referred to in subparagraph (i) or (ii).

(b) Any amount paid under the Protected Raised Bog Restoration Incentive Scheme for the voluntary purchase of land or under a management agreement within the meaning of Regulation 2 of the European Communities (Birds and Natural Habitats) Regulations 2011 shall be deemed to be an amount of compensation for the purposes of paragraph (a).".

(2) This section shall apply to amounts of compensation received on or after 1 October 2016 under the Schemes referred to in *subsection (1)*.

PART 2

EXCISE

Amendment of Chapter 1 of Part 2 of Finance Act 2001 (interpretation, liability and payment)

30. Chapter 1 of Part 2 of the Finance Act 2001 is amended—

(a) in section 96(1), in paragraph (a) of the definition of "registered consignee", by substituting "section 109IA" for "section 109J(3)", and

(b) by substituting the following for section 109A—

"Authorisation of registered consignors

109A. (1) In this section—

'applicant' means a person who has applied in writing for authorisation under subsection (2);

'authorised' means authorised as a registered consignor under this section;

'conditions of authorisation' means the conditions referred to in subsection (2)(c).

(2) The Commissioners may, under this section, authorise a person, who has applied to them in writing, as a registered consignor—

(a) for consignments of specific types of excisable products,

(b) in respect of a premises or place, and

(c) for such period, and subject to such conditions as they may think fit to impose in any particular case.

(3) The granting to, or the holding by, an applicant or holder, as the case may be, of an authorisation shall be conditional on the applicant or registered consignor complying with excise law in relation to excisable products, including the requirements of this Chapter relating to the systems (including the accounting and stock control systems) and procedures of the business to which the authorisation relates.

(4) The Commissioners shall grant an authorisation under subsection (2) only where it is shown to their satisfaction that—

(a) the applicant can satisfy the conditions of authorisation,

(b) the business activity to be carried out under the authorisation is to be undertaken with a view to the realisation of profits arising out of or related to legitimate trade in excisable products,

(c) the activity to be carried out under the authorisation will be conducted solely for the benefit of the applicant,

(d) the systems (including the accounting and stock control systems) and procedures of the business to which the application for the authorisation relates will provide a full and true record of all transactions of that business in a form readily accessible to the Commissioners, and

(e) the premises or place in respect of which the authorisation is to be granted is suitable for the security of excisable products.

(5) The Commissioners shall not grant an authorisation where the applicant or, where the applicant is a company, any director or person having control (within the meaning of section 11 of the Taxes Consolidation Act 1997) of that company—

(a) has, in the 10 years prior to the date of the application for the authorisation, been convicted of—

(i) any indictable offence under the Acts referred to in section 1078(1) of the Taxes Consolidation Act 1997, or

(ii) any corresponding offence under the law of another Member State,

(b) does not hold a current tax clearance certificate issued under section 1094 of the Taxes Consolidation Act 1997, or

(c) has been authorised previously as—

(i) a registered consignor under this section,

(ii) an authorised warehousekeeper under section 109, or

(iii) a registered consignee under section 109IA,

where there has been a contravention of, or a failure to comply with, the conditions of that previous authorisation and the applicant has not shown to the satisfaction of the Commissioners that the contravention or failure has been remedied.

(6) The details of an authorisation granted under subsection (2), including the conditions of authorisation, shall be set down in a document, referred to in this section as an 'authorisation document'.

(7) An authorisation document shall be signed by the applicant and by an officer, and it shall, unless another date is specified, be effective from the later of—

(a) the date on which it is signed by the applicant, and

(b) the date on which it is signed by the officer.

(8) Before any excisable products are consigned by a registered consignor, that registered consignor shall provide security, valid throughout the European Union, at a level specified in the authorisation document, for the excise duty on such consignment.

(9) A registered consignor shall inform an officer of any changes or proposed changes that are relevant to the conditions of authorisation.

(10) The Commissioners may at any time, following such notice as is reasonable in the circumstances, vary the conditions of authorisation.

(11) Where a registered consignor is a company, the authorisation shall expire immediately upon a change of control, within the meaning of section 11 of the Taxes Consolidation Act 1997, of such company.

(12) (a) Where a registered consignor has ceased, or intends to cease, carrying out the activities for which an authorisation was granted to it, it shall—

(i) where the registered consignor has ceased carrying out those activities, notify the Commissioners in writing of the date those activities ceased, and

(ii) where the registered consignor intends to cease carrying out those activities, notify the Commissioners in writing of that intention and the date on which the registered consignor intends to cease to carry out those activities.

(b) An authorisation granted to a registered consignor under this section shall stand revoked from such date as is specified in a notification given to the Commissioners in accordance with paragraph (a).

(13) An authorisation under this section is at all times subject to the

conditions of authorisation, and the Commissioners may revoke an authorisation where—

(a) the registered consignor or, where the registered consignor is a company, any director or person having control (within the meaning of section 11 of the Taxes Consolidation Act 1997) of that company has in the preceding 10 years been convicted of—

(i) any indictable offence under the Acts referred to in section 1078(1) of the Taxes Consolidation Act 1997, or

(ii) any corresponding offence under the law of another Member State,

(b) the Commissioners are satisfied that there has been a contravention of, or failure to comply with, a requirement of excise law in relation to the excisable products for which the authorisation was granted by—

(i) the registered consignor, or

(ii) where the holder of the authorisation is a company, any director or person having control (within the meaning of section 11 of the Taxes Consolidation Act 1997) of that company,

and the registered consignor or the person referred to in subparagraph (ii), as the case may be, has not shown to the satisfaction of the Commissioners that the contravention or failure has been remedied,

(c) the Commissioners are satisfied that there has been a contravention of, or failure to comply with, any of the conditions of authorisation by the registered consignor and the registered consignor has not shown to the satisfaction of the Commissioners that the contravention or failure has been remedied,

(d) the registered consignor, when applying for that authorisation, provided information that was false or misleading in a material respect,

(e) the registered consignor does not, when required to do so by the Commissioners, show to the satisfaction of the Commissioners that the activity carried out under the authorisation is undertaken with a view to the realisation of profits arising out of or related to legitimate trade in excisable products,

(f) the registered consignor does not, when required to do so by the Commissioners, show to the satisfaction of the Commissioners that the activity carried out under the authorisation is conducted solely for the benefit of the registered consignor,

(g) the registered consignor does not, when required to do so by the Commissioners, show to the satisfaction of the Commissioners that the systems (including the accounting and stock control systems) and procedures of the business to which the authorisation relates

provide a full and true record of all transactions of that business in a form readily accessible to the Commissioners, or

(h) the registered consignor does not, when required to do so by the Commissioners, show to their satisfaction that the premises or place in respect of which the authorisation was granted is suitable for the security of those excisable products.

(14) Where the Commissioners propose to revoke an authorisation under this section, they shall notify the registered consignor concerned in writing of their intention, and afford such registered consignor a period of at least 15 working days from the date of that notification to make representations to them in relation to the matter.".

Amendment of Chapter 2A of Part 2 of Finance Act 2001 (intra-European Union movement under a suspension arrangement)

31. Chapter 2A of Part 2 of the Finance Act 2001 is amended—

(a) in section 109B, in the definition of "temporary registered consignee", by substituting "authorisation is limited accordingly under section 109IA" for "registration is limited accordingly under section 109J(3)",

(b) by inserting the following after section 109I—

"Authorisation of registered consignees

109IA. (1) In this section—

'applicant' means a person who has applied in writing for authorisation under subsection (2);

'authorised' means authorised as a registered consignee under this section;

'conditions of authorisation' means the conditions referred to in subsection (2)(b).

(2) The Commissioners may, under this section, authorise a person who has applied to them in writing as a registered consignee—

(a) for consignments of specific types of excisable products, and

(b) for such period, and subject to such conditions as the Commissioners may think fit to impose.

(3) Without prejudice to the generality of subsection (2)(b), an authorisation under subsection (2) may be limited to—

(a) a specified quantity of excisable products,

(b) a single consignment,

(c) a single consignor, or

(d) a specified period,

in any case where consignments are to be delivered only occasionally.

(4) A registered consignee shall—

(a) provide security for the excise duty on every consignment to be received, before such consignment is dispatched, and

(b) enter in its accounts details of excisable products received under a duty suspension arrangement, at the end of the movement of such excisable products.

(5) The granting to an applicant, or the holding by a registered consignee, as the case may be, of an authorisation shall be conditional on the applicant or registered consignee complying with excise law in relation to excisable products, including the requirements of this Chapter relating to the systems (including the accounting and stock control systems) and procedures of the business to which the authorisation relates.

(6) The Commissioners shall grant an authorisation under subsection (2) only where it is shown to their satisfaction that—

(a) the applicant can satisfy the conditions of authorisation,

(b) the business activity to be carried out under the authorisation is to be undertaken with a view to the realisation of profits arising out of or related to legitimate trade in excisable products,

(c) the activity to be carried out under the authorisation will be conducted solely for the benefit of the applicant,

(d) the systems (including the accounting and stock control systems) and procedures of the business to which the application for the authorisation relates will provide a full and true record of all transactions of that business in a form readily accessible to the Commissioners, and

(e) the applicant has a secure premises or place to which consignments are to be delivered, and where they can be examined as required by an officer.

(7) The Commissioners shall not grant an authorisation where an applicant or, where the applicant is a company, any director or person having control (within the meaning of section 11 of the Taxes Consolidation Act 1997) of that company—

(a) has, in the 10 years prior to the date of the application for the authorisation, been convicted of—

(i) any indictable offence under the Acts referred to in section 1078(1) of the Taxes Consolidation Act 1997, or

(ii) any corresponding offence under the law of another Member State,

(b) does not hold a current tax clearance certificate issued under section 1094 of the Taxes Consolidation Act 1997,

(c) does not hold a current licence where such licence is required to be held by that applicant under excise law, or

(d) has been authorised previously as—

(i) a registered consignee under this section,

(ii) an authorised warehousekeeper under section 109, or

(iii) a registered consignor under section 109A,

where there has been a contravention of, or a failure to comply with, the conditions of that previous authorisation and the applicant has not shown to the satisfaction of the Commissioners that the contravention or failure has been remedied.

(8) The details of an authorisation granted under subsection (2), including the conditions of authorisation, shall be set down in a document, referred to in this section as an 'authorisation document'.

(9) An authorisation document shall be signed by the applicant and by an officer, and it shall, unless another date is specified, be effective from the later of—

(a) the date on which it is signed by the applicant, and

(b) the date on which it is signed by the officer.

(10) A registered consignee shall inform an officer of any changes or proposed changes that are relevant to the conditions of authorisation.

(11) The Commissioners may at any time, following such notice as is reasonable in the circumstances, vary the conditions of authorisation.

(12) Where a registered consignee is a company, the authorisation shall expire immediately upon a change of control, within the meaning of section 11 of the Taxes Consolidation Act 1997, of such company.

(13) (a) Where a registered consignee has ceased, or intends to cease, carrying out the activities for which an authorisation was granted to it, it shall—

(i) where the registered consignee has ceased carrying out those activities, notify the Commissioners in writing of the date those activities ceased, and

(ii) where the registered consignee intends to cease carrying out those activities, notify the Commissioners in writing of that intention and the date on which the registered consignee intends to cease to carry out those activities.

(b) An authorisation granted to a registered consignee under this section shall stand revoked from such date as is specified in a notification given to the Commissioners in accordance with paragraph (a).

(14) An authorisation under this section is at all times subject to the

conditions of authorisation and the Commissioners may revoke an authorisation where—

(a) the registered consignee or, where the registered consignee is a company, any director or person having control (within the meaning of section 11 of the Taxes Consolidation Act 1997) of that company has in the preceding 10 years been convicted of—

(i) any indictable offence under the Acts referred to in section 1078(1) of the Taxes Consolidation Act 1997, or

(ii) any corresponding offence under the law of another Member State,

(b) the Commissioners are satisfied that there has been a contravention of, or failure to comply with, a requirement of excise law in relation to the excisable products for which the authorisation was granted by—

(i) the registered consignee, or

(ii) where the holder of the authorisation is a company, any director or person having control (within the meaning of section 11 of the Taxes Consolidation Act 1997) of that company,

and the registered consignee, or the person referred to in subparagraph (ii), as the case may be, has not shown to the satisfaction of the Commissioners that the contravention or failure has been remedied,

(c) the Commissioners are satisfied that there has been a contravention of, or failure to comply with, any of the conditions of authorisation by the registered consignee and the registered consignee has not shown to the satisfaction of the Commissioners that the contravention or failure has been remedied,

(d) the registered consignee, when applying for that authorisation, provided information that was false or misleading in a material respect,

(e) the registered consignee does not, when required to do so by the Commissioners, show to the satisfaction of the Commissioners that the activity carried out under the authorisation is undertaken with a view to the realisation of profits arising out of or related to legitimate trade in excisable products,

(f) the registered consignee does not, when required to do so by the Commissioners, show to the satisfaction of the Commissioners that the activity carried out under the authorisation is conducted solely for the benefit of the registered consignee,

(g) the registered consignee does not, when required to do so by the Commissioners, show to the satisfaction of the Commissioners that the systems (including the accounting and stock control systems)

and procedures of the business to which the authorisation relates provide a full and true record of all transactions of that business in a form readily accessible to the Commissioners, or

(h) the registered consignee does not, when required to do so by the Commissioners, show to their satisfaction that the premises or place referred to in subsection (6)(e) is suitable.

(15) Where the Commissioners propose to revoke an authorisation under this section, they shall notify the registered consignee accordingly in writing of their intention, and afford such registered consignee a period of at least 15 working days from the date of that notification, to make representations to them in relation to the matter.

(16) A person who, immediately before the commencement of section 31 of the Finance Act 2016, was a registered consignee shall be deemed to be a registered consignee authorised under an authorisation granted under this section, the conditions of authorisation of which shall be deemed to be the conditions prescribed or otherwise imposed under subsection (3) of section 109J prior to the deletion of that subsection by section 31 of the Finance Act 2016 and, accordingly, subsections (4), (5), (8), (10), (11), (12), (13), (14) and (15) shall apply in respect of that person.",

(c) in section 109J(1)(b) by deleting ", subject to subsection (3)", and

(d) by deleting subsections (3) and (4) of section 109J.

Amendment of section 122 of Finance Act 2001 (offences in relation to false returns, claims, etc.)

32. Section 122(a)(iii) of the Finance Act 2001 is amended by substituting the following clause for clause (III):

"(III) authorisation as a registered consignee under section 109IA, or".

Amendment of Chapter 5 of Part 2 of Finance Act 2001 (miscellaneous)

33. Chapter 5 of Part 2 of the Finance Act 2001 is amended—

(a) in section 144A(2), by substituting the following paragraph for paragraph (d):

"(d) the authorisation of a registered consignee under section 109IA,",

(b) in section 146(1A), by substituting the following for paragraph (c):

"(c) a refusal to authorise a person as a registered consignee under section 109IA or a revocation under that section of any such authorisation;",

and

(c) in section 153(2)(e), by substituting "authorisation" for "registration" in each place where it occurs.

Amendment of Chapter 4 of Part 2 of Finance Act 2001 (powers of officers)

34. Chapter 4 of Part 2 of the Finance Act 2001 is amended in section 136 by inserting the following after paragraph (c) of subsection (6):

"(ca) to take account of and, without payment, take samples of any product referred to in section 97 and of any materials, ingredients and substances used or to be used in the manufacture of such product,". 5

Rates of tobacco products tax

35. The Finance Act 2005 is amended with effect as on and from 12 October 2016 by substituting the following for Schedule 2 (as amended by section 45 of the Finance Act 2015 (No. 52 of 2015)) to that Act: 10

"SCHEDULE 2

RATES OF TOBACCO PRODUCTS TAX

(With effect as on and from 12 October 2016)

Description of Product	Rate of Tax
Cigarettes	Rate of tax at— (a) except where paragraph (b) applies, €288.22 per thousand together with an amount equal to 9.52 per cent of the price at which the cigarettes are sold by retail, or (b) €325.11 per thousand in respect of cigarettes sold by retail where the rate of tax would be less than that rate had the rate been calculated in accordance with paragraph (a).
Cigars	Rate of tax at €335.368 per kilogram.
Fine-cut tobacco for the rolling of cigarettes	Rate of tax at €310.189 per kilogram.
Other smoking tobacco.... ….	Rate of tax at €232.664 per kilogram.

". 15 20 25 30

Amendment of section 78A of Finance Act 2003 (relief for small breweries)

36. (1) Section 78A of the Finance Act 2003 is amended—

(a) in subsection (1)(a), by substituting "40,000 hectolitres" for "30,000 hectolitres", 35

(b) in subsection (3)(b)(ii), by substituting "80,000 hectolitres" for "60,000

hectolitres", and

(c) in subsection (4)(b), by substituting "40,000 hectolitres" for "30,000 hectolitres".

(2) *Subsection (1)* comes into operation on 1 January 2017.

Amendment of Chapter 1 of Part 2 of Finance Act 1999 (mineral oil tax)

37. (1) Chapter 1 of Part 2 of the Finance Act 1999 is amended— 5

(a) in section 94(1)—

(i) by substituting the following for the definition of "additive":

" 'additive' means any product (other than hydrocarbon oil, liquefied petroleum gas, substitute fuel or vehicle gas) which may be added to—

(a) hydrocarbon oil, 10

(b) liquefied petroleum gas,

(c) substitute fuel, or

(d) vehicle gas,

as an extender or for the purpose of improving performance or for any other purpose, and cognate words shall be construed accordingly;", 15

(ii) by substituting the following for the definition of "liquefied petroleum gas":

" 'liquefied petroleum gas' means petroleum gases and other gaseous hydrocarbons falling within CN codes 2711 12 11 to 2711 19 00;",

(iii) by substituting the following for the definition of "mineral oil":

" 'mineral oil' means hydrocarbon oil, liquefied petroleum gas, vehicle gas, substitute fuel and additives;", 20

(iv) in the definition of "hydrocarbon oil" by substituting "include vehicle gas or any oil" for "include any oil",

(v) by inserting the following definitions:

" 'CN code' means a Community subdivision to the combined nomenclature of the European Communities referred to in Article 1 of Council Regulation (EEC) No. 2658/87 of 23 July 1987[11] as amended by Commission Regulation (EC) No. 2031/2001 of 6 August 2001[12] ; 25

'natural gas' means natural gas falling within CN codes 2711 11 00 and 2711 21 00; 30

'vehicle biogas' means vehicle gas obtained solely from biomass;

'vehicle gas' means gas other than liquefied petroleum gas used or intended for use as vehicle fuel;

'vehicle gas accounting period' means a period of two months or such other period as the Commissioners may prescribe for the purposes of 35

11 OJ No. L256, 7.9.1987, p.1
12 OJ No. L279, 23.10.2001, p.1

the returns and payment of mineral oil tax under section 95E;

'vehicle gas dispenser' means a person who, at a premises or place in the State, receives vehicle gas for the purpose of supplying that vehicle gas to the fuel tank or standard tank of a vehicle and includes a person who receives vehicle gas from, or supplies vehicle gas to themselves for that purpose;

'vehicle gas supplier' means a person who supplies vehicle gas to a vehicle gas dispenser;",

and

(vi) by deleting the definition of "methane",

(b) in section 94(2)(b)(ii) by substituting "oil or gas" for "oil",

(c) in section 95—

(i) by substituting the following subsection for subsection (1):

"(1) Subject to the provisions of this Chapter, and any regulations made under it, a duty of excise, to be known as mineral oil tax, shall be charged, levied and paid—

(a) on all mineral oil (other than vehicle gas)—

(i) released for consumption in the State, or

(ii) released for consumption in another Member State, and brought into the State,

and

(b) on all vehicle gas supplied to a vehicle gas dispenser.",

(ii) by substituting the following subsection for subsection (2):

"(2) Liability to mineral oil tax shall arise—

(a) in the case of mineral oil other than vehicle gas, at the time when that mineral oil is—

(i) released for consumption in the State, or

(ii) following release for consumption in another Member State, brought into the State,

and

(b) in the case of vehicle gas, at the time when that vehicle gas is supplied to a vehicle gas dispenser.",

and

(iii) by inserting the following subsection after subsection (2):

"(2A) For the purposes of subsection (2)(b), the time the vehicle gas is supplied to a vehicle gas dispenser is the time at which the vehicle gas is recorded at the meter referred to in section 95B as having been

received by that vehicle gas dispenser.”,

(d) by inserting the following sections after section 95:

“Supply of vehicle gas

95B. (1) A vehicle gas supplier shall not supply any vehicle gas to a vehicle gas dispenser’s premises or place unless the vehicle gas dispenser has, at that premises or place, a meter that has been fitted by the transmission system operator for the exclusive purpose of measuring and recording the quantity of vehicle gas supplied to that vehicle gas dispenser. 5

(2) A vehicle gas dispenser shall not receive any vehicle gas, or permit any vehicle gas to be received, at that vehicle gas dispenser’s premises or place unless— 10

(a) the vehicle gas dispenser has, at that premises or place, a meter that has been fitted by the transmission system operator for the exclusive purpose of measuring and recording the quantity of vehicle gas supplied to that vehicle gas dispenser, and 15

(b) the vehicle gas received at that premises or place is measured and recorded by a meter referred to in paragraph (a).

(3) In this section, ‘meter’ and ‘transmission system operator’ have the same meanings as they have in section 15 of the Energy (Miscellaneous Provisions) Act 1995. 20

Liability to pay mineral oil tax on vehicle gas

95C. (1) Subject to subsection (2), a vehicle gas supplier shall be accountable for and liable to pay mineral oil tax on the vehicle gas supplied to a vehicle gas dispenser by that supplier.

(2) A vehicle gas dispenser shall be liable for any deficiency in the amount of tax paid on a supply of vehicle gas to that vehicle gas dispenser, where the deficiency has resulted from false or misleading information furnished by that vehicle gas dispenser to the vehicle gas supplier, and no such liability for the deficiency shall attach to that vehicle gas supplier. 25 30

Registration of vehicle gas suppliers

95D. A vehicle gas supplier shall register with the Commissioners in accordance with such procedures as the Commissioners may prescribe or otherwise impose.

Returns and payment by vehicle gas suppliers 35

95E. (1) For the purposes of section 95C, a vehicle gas supplier shall within one month of the end of a vehicle gas accounting period, furnish to an officer, in such form as the Commissioners may require, a return showing the quantity of vehicle gas supplied by that vehicle gas supplier during that accounting period to vehicle gas dispensers. 40

(2) The vehicle gas supplier shall, in accordance with the return under subsection (1) and by the time that return is due, pay the amount of mineral oil tax due in respect of the vehicle gas supplied by that

vehicle gas supplier during the accounting period concerned.

(3) Any vehicle gas supplier that is not established in the State shall make such arrangements with the Commissioners as the Commissioners may require for the payment of the tax and accounting for it, and those arrangements shall include the appointment of a competent person in the State to give effect to them.”,

(e) in section 96—

(i) in subsection (1B), by substituting “mineral oil, other than vehicle gas,” for “mineral oil” where it first occurs,

(ii) by inserting the following subsection after subsection (1B):

“(1C) The rate of tax per megawatt hour specified for vehicle gas in Schedule 2A is in proportion to the emissions for natural gas and is determined by the formula—

$$EF \times A \times C$$

where—

EF is the carbon emission factor of natural gas expressed in kilograms of CO_2 per terajoule,

A is the amount, €0.02, to be charged per kilogram of CO_2 emitted, and

C is 0.0036, the number of terajoules per megawatt hour.”,

and

(iii) in subsection (5), by substituting “mineral oil tax on mineral oil other than vehicle gas” for “the carbon charge”,

(f) in section 100, by inserting the following subsection after subsection (5):

“(5A) Subject to such conditions as the Commissioners may prescribe or otherwise impose, a relief from the carbon charge shall apply—

(a) to any vehicle gas that is shown to the satisfaction of the Commissioners to be vehicle biogas, and

(b) where vehicle biogas has been mixed or blended with any other vehicle gas, to the vehicle biogas content of any such mixture or blend.”,

(g) in section 101(1), by substituting “(other than additives or vehicle gas)” for “(other than additives)”,

(h) in section 101B(1), by substituting “mineral oil, other than vehicle gas, sold” for “mineral oil sold”,

(i) in section 102(1)(d), by substituting “(other than additives or vehicle gas)” for “(other than additives)”,

(j) in section 104(2), by substituting the following for paragraph (g):

"(g) require a person who is an owner of or who is for the time being in charge of any vehicle constructed or adapted to use liquefied petroleum gas, vehicle gas or substitute fuel as a propellant in that vehicle to give such information, as may be specified, in relation to the supply or use of such mineral oil;",

(k) by substituting the following for Schedule 2:

"SCHEDULE 2

RATES OF MINERAL OIL TAX

Description of Mineral Oil	Rate of Tax
Light Oil:	
Petrol	€587.71 per 1,000 litres
Aviation gasoline	€587.71 per 1,000 litres
Heavy Oil:	
Used as a propellant	€479.02 per 1,000 litres
Used for air navigation	€479.02 per 1,000 litres
Used for private pleasure navigation	€479.02 per 1,000 litres
Kerosene used other than as a propellant	€50.73 per 1,000 litres
Fuel oil	€76.53 per 1,000 litres
Other heavy oil	€102.28 per 1,000 litres
Liquefied Petroleum Gas:	
Used as a propellant	€96.45 per 1,000 litres
Other liquefied petroleum gas	€32.86 per 1,000 litres
Vehicle gas:	€9.36 per megawatt hour

",

and

(l) by substituting the following for Schedule 2A:

"SCHEDULE 2A

CARBON CHARGE

Description of Mineral Oil	Rate
Light Oil:	
Petrol	€45.87 per 1,000 litres
Aviation gasoline	€45.87 per 1,000 litres

Heavy Oil:	
Used as a propellant	€53.30 per 1,000 litres
Used for air navigation	€53.30 per 1,000 litres
Used for private pleasure navigation	€53.30 per 1,000 litres
Kerosene used other than as a propellant	€50.73 per 1,000 litres
Fuel oil	€61.75 per 1,000 litres
Other heavy oil	€54.92 per 1,000 litres
Liquefied Petroleum Gas:	
Used as a propellant	€32.86 per 1,000 litres
Other liquefied petroleum gas	€32.86 per 1,000 litres
Vehicle gas:	€4.10 per megawatt hour

".

(2) Sections 55 and 56 of the Finance Act 2014 are repealed.

(3) This section shall come into operation on such day or days as the Minister for Finance may by order or orders appoint and different days may be appointed for different purposes or different provisions.

Amendment of section 97 of Finance Act 2001 (excisable products (Part 2))

38. (1) Section 97 of the Finance Act 2001 is amended by substituting the following paragraph for paragraph (c):

"(c) mineral oil within the meaning of section 94 of the Finance Act 1999, other than vehicle gas within the meaning of that section.".

(2) This section shall come into operation on such day as the Minister for Finance may appoint by order.

Amendment of section 67 of Finance Act 2010 (charging and rates of natural gas carbon tax)

39. (1) Section 67(1) of the Finance Act 2010 is amended by substituting "all natural gas, other than natural gas subject to mineral oil tax under section 95(1)(b) of the Finance Act 1999," for "all natural gas".

(2) This section shall come into operation on such day as the Minister for Finance may appoint by order.

Amendment of Chapter 2 of Part 3 of Finance Act 2010 (natural gas carbon tax)

40. (1) Section 71 of the Finance Act 2010 is amended—

(a) in subsection (1)—

(i) in paragraph (b), by substituting "processes," for "processes, or",

(ii) in paragraph (c), by substituting "State, or" for "State.", and

(iii) by inserting the following paragraph after paragraph (c):

"(d) for heat and power cogeneration (other than heat and power cogeneration by a micro-cogeneration unit within the meaning of Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012[13]), where it is determined, by a competent authority designated for the purpose by the Minister for Finance, that such cogeneration meets the requirements for high-efficiency cogeneration under Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012.", 5 10

(b) by inserting the following subsection after subsection (1):

"(1A) The relief under subsection (1)(d) shall be calculated as the amount of the tax paid on that portion of the natural gas used for cogeneration that is used to generate high-efficiency electricity as determined, and set out in a certificate issued, by the competent authority.", 15

and

(c) by substituting the following subsection for subsection (2):

"(2) Subject to such conditions as the Commissioners may prescribe or otherwise impose, a partial relief from tax shall be granted on any natural gas that is shown to the satisfaction of the Commissioners to have been supplied for use in an installation that is covered by a greenhouse gas emissions permit.". 20

(2) Section 72 is amended—

(a) by substituting the following subsection for subsection (2):

"(2) (a) A claim for repayment in relation to relief under paragraphs (a), (b) and (c) of section 71(1) or under section 71(2) shall be made in such form as the Commissioners may direct and shall be in respect of natural gas supplied within a period of not less than one and not more than 6 calendar months. 25

(b) Except where the Commissioners may in any particular case allow, a claim for repayment referred to in paragraph (a) shall be made within 6 calendar months of the end of the period in respect of which the claim is made.", 30

and

(b) by inserting the following subsection after subsection (2): 35

"(3) (a) A claim for repayment in relation to relief under paragraph (d) of section 71(1) shall be made in such form as the Commissioners may direct and shall be in respect of natural gas which has been—

(i) supplied within a period of not less than one and not more than 12 calendar months, and 40

13 OJ No. L315, 14.11.2012, p.1

(ii) determined to have been used to generate high-efficiency electricity by the competent authority.

(b) Except where the Commissioners may in any particular case allow, a claim for repayment referred to in paragraph (a) shall be made within 6 calendar months of the date upon which the competent authority has issued the certificate referred to in subsection (1A).". 5

(3) This section shall come into operation on such day as the Minister for Finance may by order appoint.

Amendment of Chapter 3 of Part 3 of Finance Act 2010 (solid fuel carbon tax)

41. (1) Section 82 of the Finance Act 2010 is amended— 10

(a) in subsection (1)—

(i) in paragraph (a), by substituting "electricity," for "electricity, or",

(ii) in paragraph (b), by substituting "processes," for "processes, or",

(iii) in paragraph (c), by substituting "State, or" for "State.", and

(iv) by inserting the following paragraph after paragraph (c): 15

"(d) for heat and power cogeneration (other than heat and power cogeneration by a micro-cogeneration unit within the meaning of Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012[14]), where it is determined, by a competent authority designated for the purpose by the Minister for Finance, that such cogeneration meets the requirements for high-efficiency cogeneration under Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012.", 20

(b) by inserting the following subsection after subsection (1):

"(1A) The relief under subsection (1)(d) shall be calculated as the amount of tax paid on that portion of the solid fuel used for cogeneration that is used to generate high-efficiency electricity as determined, and set out in a certificate issued, by the competent authority.", 25

and

(c) by substituting the following subsection for subsection (2): 30

"(2) Subject to such conditions as the Commissioners may prescribe or otherwise impose, a partial relief from tax shall be granted on any solid fuel that is shown to the satisfaction of the Commissioners to have been supplied for use in an installation that is covered by a greenhouse gas emissions permit.". 35

(2) Section 83 is amended—

(a) by substituting the following subsection for subsection (2):

"(2) (a) A claim for repayment in relation to relief under paragraphs (a), (b)

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and (c) of section 82(1) or under section 82(2) shall be made in such form as the Commissioners may direct and shall be in respect of solid fuel delivered within a period of not less than one and not more than 6 calendar months.

(b) Except where the Commissioners may in any particular case allow, a claim for repayment referred to in paragraph (a) shall be made within 6 calendar months of the end of the period in respect of which the claim is made.",

and

(b) by inserting the following subsection after subsection (2):

"(3) (a) A claim for repayment in relation to relief under paragraph (d) of section 82(1) shall be made in such form as the Commissioners may direct and shall be in respect of solid fuel which has been—

(i) delivered within a period of not less than one and not more than 12 calendar months, and

(ii) determined to have been used to generate high-efficiency electricity by the competent authority.

(b) Except where the Commissioners may in any particular case allow, a claim for repayment referred to in paragraph (a) shall be made within 6 calendar months of the date upon which the competent authority has issued the certificate referred to in subsection (1A).".

(3) This section shall come into operation on such day as the Minister for Finance may by order appoint.

Amendment of section 100 of Finance Act 1999 (mineral oil tax)

42. (1) Section 100 of the Finance Act 1999 is amended—

(a) in subsection (6), by substituting the following paragraph for paragraph (b):

"(b) for heat and power cogeneration (other than heat and power cogeneration by a micro-cogeneration unit within the meaning of Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012[15]), where it is determined, by a competent authority designated for the purpose by the Minister for Finance, that such cogeneration meets the requirements for high-efficiency cogeneration under Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012.",

(b) by inserting the following subsection after subsection (6):

"(6A) The relief under subsection (6)(b) shall be calculated as the amount of the carbon charge paid on that portion of the mineral oil used for cogeneration that is used to generate high-efficiency electricity as determined, and set out in a certificate issued, by the competent authority.",

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(c) by substituting the following subsection for subsection (8):

"(8) (a) Subject to subsection (9), a claim for repayment in relation to relief under subsection (7) shall be made in such form as the Commissioners may direct and shall be in respect of mineral oil used within a period of not less than one and not more than 6 months.

(b) Except where the Commissioners may in any particular case allow, a claim for repayment referred to in paragraph (a) shall be made within 4 months of the end of the period in respect of which the claim is made.",

and

(d) by inserting the following subsection after subsection (8):

"(9) (a) A claim for repayment under subsection (7) in relation to relief from the carbon charge under subsection (6)(b) shall be made in such form as the Commissioners may direct and shall be in respect of mineral oil which has been—

(i) used within a period of not less than one and not more than 12 months, and

(ii) determined to have been used to generate high-efficiency electricity by the competent authority.

(b) Except where the Commissioners may in any particular case allow, a claim for repayment referred to in paragraph (a) shall be made within 4 months of the date upon which the competent authority has issued the certificate referred to in subsection (6A).".

(2) This section shall come into operation on such day as the Minister for Finance may by order appoint.

Amendment of section 135C of Finance Act 1992 (remission or repayment in respect of vehicle registration tax, etc.)

43. Section 135C of the Finance Act 1992 is amended in subsections (1) and (2) by substituting "31 December 2018" for "31 December 2016" and in subsections (3) and (4) by substituting "31 December 2021" for "31 December 2016".

PART 3

VALUE-ADDED TAX

Interpretation (*Part 3*)

44. In this Part "Principal Act" means the Value-Added Tax Consolidation Act 2010.

Amendment of section 61 of Principal Act (apportionment for dual-use inputs)

45. Section 61 of the Principal Act is amended—

(a) by substituting the following for subsections (4) and (5):

"(4) Subject to subsection (5), the proportion of tax deductible by an accountable person in a taxable period shall be calculated on the basis of the ratio which the amount of the person's tax-exclusive turnover from deductible supplies or activities in the accounting year in which that taxable period ends bears to the person's tax-exclusive turnover from total supplies and activities in that accounting year.

(5) Where the proportion of tax deductible calculated in accordance with subsection (4) does not—

(a) correctly reflect the extent to which the dual-use inputs are used for the purposes of the person's deductible supplies or activities, or

(b) have due regard to the range of the person's total supplies and activities,

the accountable person shall use any other basis which results in a proportion of tax deductible which—

(i) correctly reflects the extent to which the dual-use inputs are used for the purposes of the person's deductible supplies or activities, and

(ii) has due regard to the range of the person's total supplies and activities.",

and

(b) in subsection (6) by substituting "this section," for "subsection (4),".

Flat-rate scheme for farmers

46. (1) The Principal Act is amended—

(a) in section 68 by inserting the following after subsection (5):

"(6) An invoice, settlement voucher or other document provided for in this section or in section 86(1) shall not issue in respect of supplies of a kind specified in an order made under section 86A.",

(b) in section 86—

(i) by substituting the following for subsection (1):

"(1) Subject to section 68(1) and (6) and subsection (1A), where a flat-rate farmer supplies agricultural produce or an agricultural service to a person, the farmer shall issue to the person an invoice indicating the consideration (exclusive of the flat-rate addition) in respect of the supply and an amount (in this Act referred to as a 'flat-rate addition') equal to 5.4 per cent of that consideration (exclusive of the flat-rate addition).

(1A) Where section 68(6) applies, the issue of an invoice by a flat-rate farmer shall only apply in respect of agricultural produce or an agricultural service of a kind not specified in an order made by the Minister under section 86A.",

and

(ii) in subsection (2) by substituting the following for "transaction.":

"transaction other than where an order has been made by the Minister under section 86A relating to such supply of produce or service.",

(c) by inserting the following section after section 86:

"Restriction of flat-rate addition

86A. (1) Where, following a review carried out by the Revenue Commissioners in relation to a particular agricultural sector and having regard, in particular, to the business structures or models employed and the nature of the relationships and contractual arrangements in place between parties in the sector, the Minister is satisfied that the application of the flat-rate addition in accordance with section 86 in respect of supplies of agricultural produce or agricultural services within that sector has resulted in, and if that application were retained would continue to contribute to, a systematic excess of the amount of flat-rate addition payments over the amount of non-recoverable tax on input costs borne by flat-rate farmers within that sector, the Minister may by order provide that the flat-rate addition shall not apply to supplies of a kind to be specified in the order.

(2) In subsection (1), 'non-recoverable tax on input costs' means tax which would be deductible in accordance with section 59 if the flat-rate farmers in the particular agricultural sector were registered for value-added tax, less tax which is recoverable by flat-rate farmers in that sector in accordance with a refund order made under section 103.

(3) An order made under this section shall be laid before Dáil Éireann as soon as may be after it is made and, if a resolution annulling the order is passed by Dáil Éireann within the next 21 days on which Dáil Éireann has sat after the order is laid before it, the order shall be annulled accordingly, but without prejudice to the validity of anything previously done thereunder.",

and

(d) in section 115 by inserting the following after subsection (3):

"(3A) A person who issues an invoice, settlement voucher or other document provided for in section 68 or 86 in which an amount of flat-rate addition is stated in respect of supplies of goods or services which are the subject of an order made under section 86A shall be liable to a penalty of €4,000.".

(2) This section shall come into operation on 1 January 2017.

PART 4

STAMP DUTIES

Interpretation (*Part 4*)

47. In this Part "Principal Act" means the Stamp Duties Consolidation Act 1999.

National Concert Hall

48. The Principal Act is amended by inserting the following after section 106C:

> **"106D.** Stamp duty shall not be chargeable on any conveyance, transfer or lease of land to the National Concert Hall in connection with its functions under the National Cultural Institutions (National Concert Hall) Act 2015.".

Amendment of section 126AA of Principal Act (further levy on certain financial institutions)

49. (1) Section 126AA of the Principal Act is amended—

(a) by substituting the following for subsection (1):

"(1) In this section—

'Act of 1997' means the Taxes Consolidation Act 1997 (No. 39 of 1997);

'appropriate tax' has the meaning given to it by section 256 of the Act of 1997;

'assessable amount', in relation to a relevant person, means the relevant retention tax in relation to the person;

'base year' means the year—

(a) 2011, in respect of the years 2014, 2015 and 2016,

(b) 2015, in respect of the years 2017 and 2018,

(c) 2017, in respect of the years 2019 and 2020, and

(d) 2019, in respect of the year 2021;

'due date' means, in relation to a year, 20 October in the year concerned;

'relevant business' means the business of a relevant person of taking and holding relevant deposits (within the meaning of section 256 of the Act of 1997) in respect of which the person was obliged to pay any amount under section 258 or 259 of that Act;

'relevant person' means a person who, in a base year, comes within the meaning of paragraph (a) or (b) of the definition of 'relevant deposit taker' in section 256(1) of the Act of 1997 and who—

(a) is obliged in the base year to pay—

(i) appropriate tax under section 258(3) of the Act of 1997, or

(ii) an amount on account of appropriate tax under section 258(4) or 259(4) of that Act,

and

(b) is carrying on a trade or business in the State (whether including a relevant business or not) at the due date,

but a person shall not be regarded as a relevant person where the relevant retention tax in relation to the person in the base year does not exceed €100,000;

'relevant retention tax', in relation to a relevant person and a base year, means an amount determined by the formula—

$$A + B - C$$

where—

A is an amount equal to the aggregate of—

(a) appropriate tax paid by the person in the base year under section 258(3) of the Act of 1997, and

(b) the amount paid by the person in the base year on account of appropriate tax under section 258(4) or 259(4) of that Act,

B is the aggregate of any amounts of appropriate tax, or any amounts on account of appropriate tax, paid by the person after the base year which, in accordance with section 258 or 259 of the Act of 1997, should have been paid by the person in that base year, and

C is the aggregate of any amounts of appropriate tax paid by the person in the base year which—

(a) are included in A, and

(b) were agreed by the person and an officer of the Commissioners at or before the time of payment as being tax which, in accordance with the said section 258, should have been paid before the base year.",

(b) in subsection (2) by substituting "2014 to 2021" for "2014, 2015 and 2016",

(c) in subsection (3) by substituting "in a base year" for "2011",

(d) in subsection (6) by substituting "59 per cent" for "35 per cent", and

(e) by deleting subsection (10).

(2) *Paragraph (d)* of *subsection (1)* shall have effect in relation to a statement to be delivered in accordance with subsection (2) of section 126AA of the Principal Act for the year 2017 and subsequent years.

PART 5

Capital Acquisitions Tax

Interpretation (*Part 5*)

50. In this Part "Principal Act" means the Capital Acquisitions Tax Consolidation Act 2003.

Amendment of Schedule 2 to Principal Act (computation of tax) 5

51. (1) The Principal Act is amended in paragraph 1 of Part 1 of Schedule 2, in the definition of "group threshold"—

(a) in paragraph (a), by substituting "€310,000" for "€280,000",

(b) in paragraph (b), by substituting "€32,500" for "€30,150", and

(c) in paragraph (c), by substituting "€16,250" for "€15,075". 10

(2) This section applies to gifts and inheritances taken on or after 12 October 2016.

PART 6

Miscellaneous

Interpretation (*Part 6*)

52. In this Part "Principal Act" means the Taxes Consolidation Act 1997. 15

Tax treatment of married persons and civil partners

53. The Principal Act is amended—

(a) in section 1017 by inserting the following after subsection (2):

"(3) Subject to subsection (4), for a year of assessment prior to the current year of assessment in which this section applies as a consequence of— 20

(a) an election made (including an election deemed to have been duly made) under section 1018,

(b) an election made under section 1019(2)(a)(ii), or

(c) section 1019(4)(a),

a husband or a wife who is not assessed under this section may elect to be so assessed and such election shall apply in place of any earlier election or deemed election for that year of assessment. 25

(4) Subsection (3) shall not apply where the husband or the wife is a chargeable person (within the meaning of section 959A).",

and 30

(b) in section 1031C by inserting the following after subsection (2):

"(3) Subject to subsection (4), for a year of assessment prior to the current year of assessment in which this section applies as a consequence of an election made (including an election deemed to have been duly made) under section 1031D, a civil partner who is not assessed under this section may elect to be so assessed and such election shall apply in place of any earlier election or deemed election for that year of assessment.

(4) Subsection (3) shall not apply where either civil partner is a chargeable person (within the meaning of section 959A).".

Penalties for deliberately or carelessly making incorrect returns, etc.

54. (1) The Principal Act is amended in section 1077E by inserting the following after subsection (15):

"(15A) (a) In this subsection—

'Directive' means Council Directive 2011/16/EU[16] on administrative cooperation in the field of taxation as amended by Council Directive 2014/107/EU of 9 December 2014[17] as regards mandatory automatic exchange of information in the field of taxation;

'liability to tax or duty' means, as the case may be, a liability to tax (within the meaning of subsection (1) of this section and that subsection as applied to the Capital Acquisitions Tax Consolidation Act 2003 by section 58(9)(b) of that Act), a liability to tax within the meaning of section 116(1) of the Value-Added Tax Consolidation Act 2010 or a liability to duty within the meaning of section 134A(1) of the Stamp Duties Consolidation Act 1999;

'offshore matters' means any one or more of the following—

(i) a relevant account held or situated,

(ii) relevant income or gains arising from a source or accruing, as the case may be,

(iii) relevant property situated, or

(iv) any income, gains, accounts or assets, other than those referred to in paragraphs (i) to (iii), arising from a source, accruing, held or situated, as the case may be,

in a country or territory other than the State;

'penalty', in relation to a person, means, as the case may be, any penalty of the kind referred to in subsections (2), (3), (5) and (6) of this section, those subsections as applied to the Capital Acquisitions Tax Consolidation Act 2003 by section 58(9)(b) of that Act, any penalty of the kind referred to in subsections (2), (3), (5) and (6) of section 116 of the Value-Added Tax Consolidation

16 OJ No. L64, 11.3.2011, p.1
17 OJ No. L359, 16.12.2014, p.1

Act 2010 or any further penalty of the kind referred to in subsections (2) and (4) of section 134A of the Stamp Duties Consolidation Act 1999;

'relevant account' means an account reportable under the standard or, as the case may be, under the Directive, or an account of a kind reportable under the standard or, as the case may be, under the Directive;

'relevant income or gains' means income or gains reportable under the standard or, as the case may be, under the Directive, or income or gains of a kind reportable under the standard or, as the case may be, under the Directive;

'relevant property' means property reportable under the Directive, or property of a kind reportable under the Directive;

'specified penalty', in relation to a person, means, as the case may be, a penalty or further penalty of the kind referred to—

(i) in subsections (5) and (6) of this section, the amount of which does not exceed the amount referred to in subsection (7)(b)(II)(A) of this section,

(ii) in the subsections referred to in paragraph (i), as applied to the Capital Acquisitions Tax Consolidation Act 2003 by section 58(9)(b) of that Act,

(iii) in subsections (5) and (6) of section 116 of the Value-Added Tax Consolidation Act 2010, the amount of which does not exceed the amount referred to in subsection (7)(b)(II)(A) of that section, and

(iv) in subsection (4) of section 134A of the Stamp Duties Consolidation Act 1999, the amount of which does not exceed the amount referred to in subsection (5)(b)(II)(A) of that section;

'the standard' has the same meaning as in section 891F(2).

(b) A disclosure in relation to a person made on or after 1 May 2017 shall not be a qualifying disclosure where—

(i) any matters contained in the disclosure relate directly or indirectly to offshore matters, and

(ii) in any other case, the person, before the date the disclosure is made, has offshore matters occasioning a liability to tax or duty that are known or become known at any time to the Revenue Commissioners or any of their officers and the person is liable to a penalty other than a specified penalty in relation to those matters.".

(2) Section 116 of the Value-Added Tax Consolidation Act 2010 is amended by inserting the following after subsection (15):

"(15A) (a) In this subsection the expressions 'liability to tax or duty', 'offshore matters', 'penalty' and 'specified penalty' have the same meanings as in section 1077E(15A)(a) (inserted by section 54(1) of the *Finance Act 2016*) of the Taxes Consolidation Act 1997.

(b) A disclosure in relation to a person made on or after 1 May 2017 shall not be a qualifying disclosure where— 5

(i) any matters contained in the disclosure relate directly or indirectly to offshore matters, and

(ii) in any other case, the person, before the date the disclosure is made, has offshore matters occasioning a liability to tax or duty that are known or become known at any time to the Revenue Commissioners or any of their officers and the person is liable to a penalty other than a specified penalty in relation to those matters.". 10

(3) Section 134A of the Stamp Duties Consolidation Act 1999 is amended by inserting the following after subsection (12): 15

"(13) (a) In this subsection the expressions 'liability to tax or duty', 'offshore matters', 'penalty' and 'specified penalty' have the same meanings as in section 1077E(15A)(a) (inserted by section 54(1) of the *Finance Act 2016*) of the Taxes Consolidation Act 1997. 20

(b) A disclosure in relation to a person made on or after 1 May 2017 shall not be a qualifying disclosure where—

(i) any matters contained in the disclosure relate directly or indirectly to offshore matters, and

(ii) in any other case, the person, before the date the disclosure is made, has offshore matters occasioning a liability to tax or duty that are known or become known at any time to the Commissioners or any of their officers and the person is liable to a penalty other than a specified penalty in relation to those matters.". 25 30

(4) *Subsections (1)*, *(2)* and *(3)* shall have effect as on and from 1 May 2017.

Amendment of section 1086 of Principal Act (publication of names of tax defaulters)

55. (1) Section 1086 of the Principal Act is amended—

(a) in subsection (2B)—

(i) in paragraph (a), by substituting "a specified sum or an adjusted specified sum (within the meaning of subsection (2C)), as the case may be," for "a specified sum", 35

(ii) in paragraph (b), by substituting "a specified sum or an adjusted specified sum, as the case may be, (within the meaning of subsection (2C))" for "a specified sum", and 40

(iii) by substituting "and the person fails to pay the specified sum or the adjusted

specified sum, as the case may be," for "and the person fails to pay the specified sum",

(b) by inserting the following after subsection (2B):

"(2C) (a) In this subsection—

'qualifying disclosure' means a qualifying disclosure referred to in subsection (4)(a);

'relevant matters', in relation to a person, means matters occasioning a liability of the kind referred to in paragraph (c) or (d) of subsection (2), as the case may be, and are known or become known to the Revenue Commissioners or any of their officers.

(b) Notwithstanding subsection (4)(a), where the Revenue Commissioners pursuant to an agreement referred to in paragraph (c) or (d) of subsection (2), as the case may be, accept or undertake to accept a specified sum of money in settlement of any claim by them in respect of the specified liability, referred to in those paragraphs, of a person and the specified liability comprises of the liability relating to the matter in respect of which the person had voluntarily furnished a qualifying disclosure and the liability in respect of relevant matters, paragraphs (c) and (d) of subsection (2) shall apply in relation to the person in respect of the relevant matters, subject to the following modifications:

(i) a reference to a specified sum shall be construed as a reference to a sum (in this subsection referred to as the 'adjusted specified sum') equivalent to the sum determined by the formula—

$$A - B$$

where—

A is the specified sum in respect of the specified liability (relating to both the matter to which the qualifying disclosure relates and the relevant matters) referred to in paragraph (c) or (d) of subsection (2), as the case may be, of the person, and

B is the part of the sum referred to in A that relates to the matter to which the qualifying disclosure relates;

(ii) a reference to a specified liability, shall be construed as a reference to the part of the specified liability relating to the relevant matters;

(iii) the reference in paragraph (c) of subsection (2) to an agreement made by the Revenue Commissioners with the person whereby they accepted or undertook to accept a specified sum of money in settlement of any claim by them in respect of any specified liability of the person, shall be construed as a reference to an agreement (in this subsection referred to as the 'second mentioned agreement') made by the Revenue Commissioners with the person whereby they accepted or undertook to accept

an adjusted specified sum of money in settlement of any claim by them in respect of the part of the specified liability of the person relating to the relevant matters, and the second mentioned agreement shall be deemed to have been made in the relevant period in which the Revenue Commissioners accepted or undertook to accept the specified sum referred to in A of the formula in subparagraph (i).",

(c) in subsection (4)—

(i) by deleting paragraph (b), and

(ii) in paragraphs (c) and (d), by substituting "of subsection (2), including as applied by subsection (2C)," for "of subsection (2)" in each place where it occurs,

(d) in subsection (4A)—

(i) in paragraph (b), by substituting "The Minister may, from time to time," for "The Minister shall, in the year 2010 and in every fifth year thereafter,", and

(ii) in paragraph (c), by substituting "or in the last previous order made under the said paragraph (b) (or under that paragraph as it applied at any time before the date of passing of the *Finance Act 2016*)" for "or in the last previous order made under the said paragraph (b)",

and

(e) by inserting the following after subsection (5A):

"(5B) Any list referred to in subsection (2) shall, in a case to which subsection (2B) applies, specify, in such manner as the Revenue Commissioners think fit, that the person has failed to pay the specified sum or the adjusted specified sum (within the meaning of subsection (2C)), as the case may be, of money within the relevant period.".

(2) *Subsection (1)*, other than *paragraph (d)*, shall apply in relation to a person as respects specified sums referred to in paragraphs (c) and (d) of section 1086(2) of the Principal Act which the Revenue Commissioners accepted, or undertook to accept, in settlement of a specified liability, referred to in the said paragraphs (c) and (d), on or after 1 January 2017.

(3) *Paragraph (d)* of *subsection (1)* comes into operation on the passing of this Act.

Care and management of taxes and duties

56. All taxes and duties imposed by this Act are placed under the care and management of the Revenue Commissioners.

Short title, construction and commencement

57. (1) This Act may be cited as the Finance Act 2016.

(2) *Part 1* shall be construed together with—

(a) in so far as it relates to income tax, the Income Tax Acts,

(b) in so far as it relates to universal social charge, Part 18D of the Principal Act,

(c) in so far as it relates to corporation tax, the Corporation Tax Acts, and

(d) in so far as it relates to capital gains tax, the Capital Gains Tax Acts.

(3) *Part 2*, in so far as it relates to duties of excise, shall be construed together with the statutes which relate to those duties and to the management of those duties. 5

(4) *Part 3* shall be construed together with the Value-Added Tax Acts.

(5) *Part 4* shall be construed together with the Stamp Duties Consolidation Act 1999 and the enactments amending or extending that Act.

(6) *Part 5* shall be construed together with the Capital Acquisitions Tax Consolidation Act 2003 and the enactments amending or extending that Act. 10

(7) *Part 6* in so far as it relates to—

(a) income tax, shall be construed together with the Income Tax Acts,

(b) universal social charge, shall be construed together with Part 18D of the Principal Act,

(c) corporation tax, shall be construed together with the Corporation Tax Acts, 15

(d) capital gains tax, shall be construed together with the Capital Gains Tax Acts,

(e) customs, shall be construed together with the Customs Acts,

(f) duties of excise, shall be construed together with the statutes which relate to duties of excise and the management of those duties,

(g) value-added tax, shall be construed together with the Value-Added Tax Acts, 20

(h) stamp duty, shall be construed together with the Stamp Duties Consolidation Act 1999 and the enactments amending or extending that Act,

(i) domicile levy, shall be construed together with Part 18C of the Principal Act, and

(j) gift tax or inheritance tax, shall be construed together with the Capital Acquisitions Tax Consolidation Act 2003 and the enactments amending or extending that Act. 25

(8) Except where otherwise expressly provided for in *Part 1*, that Part shall come into operation on 1 January 2017.

(9) Except where otherwise expressly provided for, where a provision of this Act is to come into operation on the making of an order by the Minister for Finance, that provision shall come into operation on such day or days as the Minister for Finance shall appoint either generally or with reference to any particular purpose or provision and different days may be so appointed for different purposes or different provisions. 30

An Bille Airgeadais, 2016

BILLE

(mar a tionscnaíodh)

dá ngairtear

Acht do dhéanamh socrú maidir le forchur, aisghairm, loghadh, athrú agus rialáil cánachais, dleachtanna stampa agus dleachtanna a bhaineann le mál agus do dhéanamh socrú breise thairis sin i dtaobh airgeadais lena n-áirítear rialáil custam.

An tAire Airgeadais a thíolaic,

18 *Deireadh Fómhair,* 2016

Finance Bill 2016

BILL

(as initiated)

entitled

An Act to provide for the imposition, repeal, remission, alteration and regulation of taxation, of stamp duties and of duties relating to excise and otherwise to make further provision in connection with finance including the regulation of customs.

Presented by the Minister for Finance

18*th October,* 2016

BAILE ÁTHA CLIATH
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