An Roinn Airgeadais
Department of Finance

Our reference: F 49/80/2015

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6 October 2015

Mr Matthew Lynch

Head of Policy at the Fine Gael Policy & Research Office

Leinster House

Dublin 2

Dear Mr Lynch,

I refer to your second request to the Department for Budget costings dated 22 September, and I am pleased to attach the responses to the various questions.

Please note that your request for a costing on the introduction of a special fund to help organisations purchase defibrillators for public places was sent to the Department of Public Expenditure and Reform for their direct reply.

Please also note that the costing exercise did not examine the interaction of individual measures with other tax and/or expenditure measures.

No account has been taken of the second round impact of measures proposed, such as their positive or negative impact on economic growth, job creation, inflation or their impact on tax buoyancy.

It should also be borne in mind that that under the preventive arm of the Stability and Growth Pact, until Ireland has reached its objective of a balanced budget in structural terms, we may not introduce discretionary revenue reductions, over and above the available fiscal space permitted under the expenditure benchmark, unless they are matched by other revenue increases or expenditure reductions. Accordingly, tax reductions may have to be offset elsewhere.

The costings, including those provided by or in conjunction with other Departments, are provided on the basis that at no time will the Department(s) be represented as endorsing the proposals costed. Equally, the Department(s) will not comment on the

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merits or otherwise of those proposals. Where caveats or assumptions have been made in this response, the Departments' positions on such issues must be accurately, fully and fairly represented.

The Freedom of Information Act 2014 does not provide for an exemption for the costings of political parties proposals. Costings prepared by the Department in the context of the Budget will be treated in the same manner as all other pre–Budget submissions/requests. As is normal practice, the Department will publish all of these submissions and the responses on its website, redacting on the basis of the Freedom of Information exemptions as appropriate. Costings prepared in the context of general elections or Programmes for Government will also be dealt with in accordance with relevant provisions of the Act.

If you have any queries on any of the above matters or costings, please do not hesitate to contact me.

Yours sincerely,

Derek Moran

Secretary General

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Department of Finance

Policy Objective:
To ensure proper and fair regulation in the gambling sector.

To estimate the revenue being lost through the operation of unlicensed gaming machines.

Reply: There are no data required to be returned to Revenue on which to base an estimate of this cost.

Policy Objective:
To address current housing constraints.

The annual revenue losses to the State from introducing a tax relief for landlords who take on persons in receipt of rent supplement or the Housing Assistance Payment (HAP) in line with projected demand.

Reply: Rent Supplement data are exchanged with Revenue by the Department of Social Protection. This includes information on the identity of the landlord and the amount of paid. However, it is not possible for Revenue to estimate a cost for the proposal. All rental income is combined in the tax assessment calculation, the tax paid on the portion of rental income from the Rent Supplement cannot be separately identified.

In addition, forecasts for projected demand are not available to Revenue.

Revenue currently has no data in respect of the Housing Assistance Payments (HAP) scheme, which is still in the pilot stage at Local Council level.

Policy Objective:
To develop additional and more diverse funding streams for sporting organisations in Ireland.

The cost of extending the current tax relief in place on donations to sports organisations (section 847A of the Taxes Consolidation Act, 1997) to current expenditure.

Reply: Section 41 of the Finance Act 2002 inserts a section 847A into the Taxes Consolidation Act 1997 providing for a scheme of tax relief for relevant donations to an approved sports body for the funding of approved projects. The scheme is applicable only to relevant donations received on or after 1 May 2002 in respect of expenditure incurred on approved projects on or after that date. The minimum qualifying total donation amount by a single donor in any year to an individual sports body is €250. No project will be approved which is estimated to cost in excess of €40m. However, where the aggregate cost of a project actually exceeds this amount, relief may only be claimed on donations up to the €40 million threshold.

The current estimated cost to the Exchequer regarding the Donations to Sports Bodies Scheme, in 2013 which is the latest year for which data is available, is €0.5 million. This is based on a total of €2 million claimed by 2,400 claimants.

It is assumed that the purpose of this proposal is to extend the relief to all donations to approved sports bodies, however as there is no obligation for non-qualifying donations to be reported to the Revenue Commissioners, there is no basis upon which to estimate to cost of extending the relief.

Policy Objective:
Enhancing our offering as a destination for film projects.

The cost of increasing the Section 481 spending cap on eligible expenditure beyond its current rate in bands of €5m up to €100m.

Reply: Data are not available in respect of possible future eligible expenditure in excess of the current €50 million on which to base an estimate of the cost of this proposal. Hover, so far this year, no claim has eligible expenditure which would have exceeded the current cap.