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Number 41 *of* 2013

FINANCE (NO. 2) ACT 2013

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.

[18*th December*, 2013]

Be it enacted by the Oireachtas as follows:

PART 1

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

Income Tax

Amendment of section 226 of Principal Act (certain employment grants and recruitment subsidies)

2. Section 226 of the Principal Act is amended in subsection (1)—

(a) in paragraph (i) by deleting "or",

(b) in paragraph (j) by substituting "applies, or" for "applies.", and

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

"(k) as respects payments made to employers on or after 1 July 2013, JobsPlus, being a scheme administered by the Department of Social Protection.".

Amendment of section 253 of Principal Act (relief to individuals on loans applied in acquiring interest in partnerships)

3. Section 253 of the Principal Act is amended by inserting the following after subsection (7):

"(8) Notwithstanding subsection (7), the deduction authorised by that subsection shall not exceed—

(a) as respects the year of assessment 2014, 75 per cent of the deduction that would but for this subsection be authorised by that subsection,

(b) as respects the year of assessment 2015, 50 per cent of the deduction that would but for this subsection be authorised by that subsection,

(c) as respects the year of assessment 2016, 25 per cent of the deduction that would but for this subsection be authorised by that subsection, and

(d) as respects the year of assessment 2017 and each subsequent year of assessment, zero per cent of the deduction that would but for this subsection be authorised by that subsection.

(9) This section shall not apply to a loan made after 15 October 2013.

(10) Subsections (8) and (9) shall not apply to a loan referred to in subsection (1) where the partnership is a farming partnership within the meaning of section 598A.

(11) Subsection (9) shall not apply to a loan made after 15 October 2013 which is applied in paying off another loan to an individual used to defray money applied under paragraph (a), (b) or (c) of subsection (1), provided—

(a) the loan does not exceed the balance outstanding on the loan being paid off, and

(b) the term of the loan does not exceed the balance of the term of the loan being paid off.".

Cesser of top slicing relief

4. (1) The Principal Act is amended in Schedule 3—

(a) in Part 2 by substituting "on or after the date of the passing of the Finance Act 2013" for "on or after the date of the passing of this Act" in paragraph 9A (inserted by section 14(1)(e) of the Finance Act 2013), and

(b) in Part 3 by inserting the following paragraph after paragraph 13:

"14. Notwithstanding section 201, paragraph 10 shall cease to apply to any payment which is made on or after 1 January 2014 and which is

chargeable to income tax under section 123.".

(2) *Subsection (1)(a)* shall have effect as if it had come into operation on or after 27 March 2013.

Home renovation incentive

5. The Principal Act is amended—

(a) in Part 15—

(i) by repealing section 477A, and

(ii) by inserting the following section before section 478:

"Home renovation incentive

477B. (1) In this section—

'contractor' means a person engaged by an individual to carry out qualifying work, and who is an accountable person under section 5 of the Value-Added Tax Consolidation Act 2010 and has been assigned a registration number under section 65 of that Act;

'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;

'qualifying contractor' means a contractor who—

(a) complies with the obligations referred to in section 530G or 530H, as the case may be, or

(b) 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 paragraph (a), other than the obligations referred to in paragraphs (a) and (b) of subsection (1) of section 530G or 530H, as the case may be;

'qualifying expenditure', in relation to an individual, means expenditure incurred by the individual on qualifying work carried out by a qualifying contractor on a qualifying residence;

'qualifying residence', in relation to an individual, means a residential premises situate in the State—

(a) which is owned by the individual and which is occupied by the individual as his or her only or main residence, or

(b) which has previously been occupied as a residence and has been acquired by the individual for the purposes of occupation by the individual as his or her only or main residence on completion of the qualifying work and which is so occupied upon completion;

'qualifying work' means any work of repair, renovation or

improvement to which the rate of tax specified in section 46(1)(c) of the Value-Added Tax Consolidation Act 2010 applies, and which is carried out on a qualifying residence;

'residential premises' means—

(a) a building or part of a building used, or suitable for use, as a dwelling, and

(b) land which the occupier of a building or part of a building used as a dwelling has for the occupier's own occupation and enjoyment with that building or that part of a building as its garden or grounds of an ornamental nature;

'specified amount', in relation to a payment in respect of qualifying expenditure, means 13.5 per cent of the amount of the payment on which value-added tax is charged, subject to a maximum amount of €4,050, provided that, where more than one payment is made in respect of qualifying expenditure, the aggregate of the specified amounts in respect of those payments shall not exceed €4,050;

'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;

'unique reference number' has the meaning given to it by subsection (4)(b);

'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) (a) This section applies to qualifying expenditure incurred on qualifying work carried out during the period from 25 October 2013 to 31 December 2015.

(b) Where payments in respect of qualifying work are made during the period from 25 October 2013 to 31 December 2013, those payments shall be deemed to have been made in the year of assessment 2014.

(c) Notwithstanding paragraph (a), where qualifying work, for which permission is required under the Planning and Development Act 2000, is carried out during the period from 1 January 2016 to 31 March 2016, then provided such permission is granted on or before 31 December 2015, that work shall be deemed to be carried out in the year of assessment 2015.

(3) (a) Subject to the provisions of this section, where an individual (in this section referred to as 'the claimant'), on making a claim in that behalf, proves that in a year of assessment he or she has made a

payment or payments to a qualifying contractor in respect of qualifying expenditure to which this section applies, the income tax to be charged on the claimant, other than in accordance with section 16(2), shall be reduced—

(i) in the case of the first subsequent year of assessment, by an amount which is the lesser of—

(I) 50 per cent of the specified amount of the payment or payments, and

(II) the amount which reduces the income tax of that year of assessment to nil,

and

(ii) in the case of the next subsequent year of assessment, by an amount which is the lesser of—

(I) that part of the specified amount not used in the year of assessment referred to in subparagraph (i), and

(II) the amount which reduces the income tax of that year of assessment to nil.

(b) Insofar as any part of the specified amount cannot be used under paragraph (a) (in this paragraph referred to as 'excess relief') due to the insufficiency of income tax charged on the claimant in the two years of assessment following the year of assessment in which the payment or payments referred to in paragraph (a) were made, the income tax for the year of assessment following those two years of assessment and so on for each succeeding year of assessment shall be reduced by the excess relief until the full amount of the excess relief has been used, provided that the amount of the excess relief used in any year of assessment shall not be greater than the amount which reduces the income tax charged on the claimant in that year of assessment to nil.

(c) The maximum amount of relief available under this section in respect of a qualifying residence shall not exceed €4,050.

(d) No claim shall be made under this section unless the payment, or where there is more than one payment the aggregate of those payments, in respect of qualifying expenditure made to a qualifying contractor or qualifying contractors is equal to or greater than €5,000.

(e) Where an individual engages a contractor to carry out qualifying work, it shall be the responsibility of that individual to be satisfied that the contractor is a qualifying contractor.

(4) (a) Subject to paragraph (c), a contractor shall, before commencing qualifying work under this section, provide to the Revenue

Commissioners—

(i) the contractor's name,

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

(iii) the unique identification number assigned in accordance with section 27 of the Finance (Local Property Tax) Act 2012 to the property on which the qualifying work is to be carried out,

(iv) the name of the claimant,

(v) the address of the property at which the work will be carried out,

(vi) a description of the work to be carried out,

(vii) the estimated cost of the work to be carried out, separately identifying the amount of value-added tax, and

(viii) the estimated duration of the work, including the estimated start date and estimated end date.

(b) On receipt of the information referred to in paragraph (a), the Revenue Commissioners shall—

(i) notify the contractor, as the case may be, that—

(I) the contractor is a qualifying contractor for the purposes of this section and such notification shall contain a number for the work (in this section referred to as the 'unique reference number'), or

(II) that the contractor is not a qualifying contractor for the purposes of this section,

and

(ii) where the contractor is a qualifying contractor, notify the individual concerned accordingly and the notification shall stipulate the unique reference number for the work.

(c) Where a qualifying contractor has commenced qualifying work on or after 25 October 2013 but before the electronic systems referred to in subsection (10) are made available by the Revenue Commissioners, the contractor shall provide to the Revenue Commissioners the information specified in paragraph (a) within 28 days of such electronic systems being made available.

(5) (a) Upon receipt of payment from the individual concerned in respect of qualifying work, but not later than 10 working days following receipt of such payment, the contractor shall—

(i) provide to the Revenue Commissioners the following

information:

(I) the contractor's name;

(II) the contractor's tax registration number and VAT registration number;

(III) the unique reference number for the work;

(IV) details of the amount of the payment, separately identifying the amount of value-added tax;

(V) the name of the individual from whom the payment was received;

(VI) the date of the payment,

and

(ii) provide to the individual a statement showing the amount of the payment separately identifying the amount of value-added tax.

(b) Where a qualifying contractor receives payment from the individual in respect of qualifying work to which this section applies on or after 25 October 2013 and before the electronic systems referred to in subsection (10) are made available by the Revenue Commissioners, that contractor shall provide to the Revenue Commissioners the information specified in paragraph (a) within 28 days of such electronic systems being made available.

(6) On making a claim under this section, the claimant shall provide to the Revenue Commissioners—

(a) the following information:

(i) his or her name and tax reference number;

(ii) the unique reference number for the work;

(iii) the unique identification number assigned in accordance with section 27 of the Finance (Local Property Tax) Act 2012 to the property on which the qualifying work was carried out;

(iv) details of any sum referred to in paragraph (a) or (b) of subsection (7),

and

(b) a declaration (unless the contrary is the case) in respect of each such payment that—

(i) the amount of the payment advised to the Revenue Commissioners by the qualifying contractor under subsection (5)(a)(i)(IV) accords with the amount of the payment made by the claimant to that contractor,

(ii) the date of the payment advised to the Revenue Commissioners by the qualifying contractor under subsection (5)(a)(i)(V) is correct,

(iii) the work in respect of which payment was made to the qualifying contractor was qualifying work carried out on the claimant's qualifying residence,

(iv) the work in respect of which payment was made to the qualifying contractor has been completed,

(v) the contractor has received full payment from the claimant in respect of the work, and

(vi) the property on which the qualifying work was carried out was occupied by the individual as his or her only or main residence on completion of the work.

(7) Where a claimant has received or will receive, in respect of, or by reference to, qualifying work, a sum directly or indirectly—

(a) from the State or any public body or local authority, or

(b) under any contract of insurance or by way of compensation or otherwise,

then, for the purposes of subsection (3)(a), the amount of any payment or payments, as specified in the information provided to the Revenue Commissioners under subsection (5), made in respect of qualifying expenditure on that qualifying work shall be reduced—

(i) in the case of paragraph (a), by an amount equal to 3 times the sum received or receivable, and

(ii) in the case of paragraph (b), by an amount equal to the sum received or receivable.

(8) (a) Relief shall not be given under this section where the requirements of the Finance (Local Property Tax) Act 2012, in relation to the making of returns and the payment of local property tax—

(i) have not been complied with in respect of the qualifying residence, or

(ii) have not been complied with by a claimant in respect of any relevant residential property (other than the qualifying residence) in relation to which the claimant is a liable person.

(b) In this subsection 'relevant residential property' and 'liable person' have the same meanings respectively as in the Finance (Local Property Tax) Act 2012.

(9) For the purposes of this section—

(a) in the case of a claimant assessed to tax for a year of assessment in

accordance with section 1017, any payment in respect of qualifying expenditure to a qualifying contractor made by the claimant's spouse, in respect of which the claimant's spouse would have been entitled to relief under this section if that spouse were assessed to tax for the year of assessment in accordance with section 1016 (apart from subsection (2) of that section), shall be deemed to have been made by the claimant, and

(b) in the case of a nominated civil partner assessed to tax for a year of assessment in accordance with section 1031C, any payment in respect of qualifying expenditure to a qualifying contractor made by the other civil partner, in respect of which the other civil partner would have been entitled to relief under this section if the other civil partner were assessed to tax for the year of assessment in accordance with section 1031B (apart from subsection (2) of that section), shall be deemed to have been made by the nominated civil partner.

(10) Any claim, notification, information or declaration 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.

(11) Where qualifying expenditure, in relation to qualifying work on a qualifying residence, is incurred by 2 or more claimants, then, except where subsection (9) applies, for the purposes of apportioning the specified amount, each claimant shall be entitled to an amount which bears the same proportion to the specified amount as the qualifying expenditure incurred by that claimant on the qualifying residence bears to the total qualifying expenditure incurred on that residence.

(12) Expenditure in respect of which a claimant is entitled to relief under this section shall not include any expenditure in respect of which that claimant is entitled to a deduction, relief or allowance under any other provision of the Tax Acts or the Value-Added Tax Consolidation Act 2010.

(13) Anything required to be done by or under this section by the Revenue Commissioners, other than the making of regulations, may be done by any Revenue officer.

(14) (a) The Revenue Commissioners may make regulations for the purposes of this section and those regulations may—

(i) specify the manner in which contractors shall provide to the Revenue Commissioners the information required under subsections (4) and (5),

(ii) specify the manner in which a claimant shall provide to the Revenue Commissioners the information and declaration

required under subsection (6),

(iii) specify the manner in which the Revenue Commissioners shall issue notifications under subsection (4)(b)(ii), and

(iv) provide for such other matters relating to the information required under subsections (4)(a) and (5)(a) and to the information and declaration required under subsection (6) as are considered necessary and appropriate by the Revenue Commissioners for the purposes of this section and as may be specified in the regulations.

(b) Regulations made under this section may contain such incidental, supplemental or consequential provisions as appear to the Revenue Commissioners to be necessary or expedient—

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

(ii) to give effect to the proper implementation and efficient operation of the provisions of this section or regulations made under this section.

(c) Regulations made under this section shall be laid before Dáil Éireann as soon as may be after they are made and, if a resolution annulling those regulations is passed by Dáil Éireann within the next 21 days on which Dáil Éireann has sat after the regulations are laid before it, the regulations shall be annulled accordingly, but without prejudice to the validity of anything previously done under them.",

and

(b) in Schedule 29, in column 3, by inserting "section 477B" after "section 267B".

Relief for long-term unemployed starting a business

6. Chapter 1 of Part 15 of the Principal Act is amended by inserting the following after section 472A:

"472AA. (1) In this section—

'Act of 2005' means the Social Welfare Consolidation Act 2005;

'basis period', in relation to a year of assessment, means the period on the profit or gains of which income tax for the year of assessment is to be finally computed under the Income Tax Acts;

'continuous period of unemployment' has the meaning assigned to it in section 141(3) of the Act of 2005;

'crediting contribution' means a crediting contribution provided for by regulations made under section 33 of the Act of 2005;

'new business' means a trade or profession which is set up and commenced by a qualifying individual during the period beginning on 25 October 2013 and ending on 31 December 2016, other than a trade or profession—

(a) which was previously carried on by another person and to which the qualifying individual has succeeded, or

(b) the activities of which were previously carried on as part of another person's trade or profession;

'qualifying individual' means an individual who commences a new business and—

(a) who—

(i) has been continuously unemployed for the period of 12 months immediately preceding the commencement of that business, and in respect of that period of unemployment, was entitled to crediting contributions, or

(ii) in respect of a continuous period of unemployment of not less than 312 days immediately preceding the commencement of that business, has been in receipt of—

(I) jobseeker's benefit under Chapter 12 of Part 2 of the Act of 2005,

(II) jobseeker's allowance under Chapter 2 of Part 3 of the Act of 2005,

(III) one-parent family payment under Chapter 7 of Part 3 of the Act of 2005, or

(IV) partial capacity payment under Chapter 8A of Part 2 of the Act of 2005,

and

(b) who was not previously a qualifying individual for the purposes of this section;

'qualifying period' means a period of 24 months beginning on the date the qualifying individual commenced a new business;

'unemployment payment' means a payment of jobseeker's benefit or jobseeker's allowance payable under the Social Welfare Acts.

(2) For the purposes of the definition of 'qualifying individual' in subsection (1)—

(a) any period where an individual is in attendance at, or participating in, a scheme or programme of employment or work experience, or a course of education, training or development, where such a scheme, programme or course is approved for the purposes of this paragraph

by the Minister for Social Protection or the Minister for Education and Skills, with the consent of the Minister for Finance, shall be deemed to be part of a continuous period of unemployment for the purposes of this section,

(b) any payment in respect of a period of attendance at, or participation in, a scheme, programme or course mentioned in paragraph (a) shall be deemed to be an unemployment payment for the purposes of this section if the qualifying individual concerned was in receipt of an unemployment payment immediately prior to the commencement of such period, and

(c) any Sunday in any period of consecutive days shall not be treated as a day of unemployment and shall be disregarded in computing any such period.

(3) Subject to this section, where, on making a claim, an individual proves that he or she is a qualifying individual, he or she shall be entitled in any year of assessment falling wholly or partly within the qualifying period to deduct from or set off against the profits or gains of the new business, on which that individual is assessed under Case I or Case II of Schedule D, an amount equal to the amount referred to in subsection (4).

(4) The amount to which subsection (3) refers is an amount equal to the lesser of—

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

or

$$€40{,}000 \times \frac{B}{12}$$

where—

A is the profit or gains of the new business which would, but for this section, be charged to tax in the year of assessment,

B is the number of months or fractions of months within the year of assessment which fall within the qualifying period, and

C is the number of months or fractions of months in the basis period for the year of assessment.

(5) Notwithstanding any other provision of the Tax Acts, effect shall be given to a deduction or set-off under subsection (4) in priority to any relief under section 382 and any allowance made in respect of the new business in accordance with Part 9.

(6) Where a qualifying individual commences 2 or more new businesses, the total deduction available under this section shall not exceed €40,000 for a year of assessment.

(7) Notwithstanding any other provision of the Tax Acts, an individual

who makes a claim under this section shall be a chargeable person within the meaning of section 959A.".

Single person child carer credit

7. (1) The Principal Act is amended—

(a) in section 3, in the definition of "personal tax credit", by substituting "462B" for "462",

(b) in section 7(2) by substituting "section 462B" for "section 462",

(c) in section 15(2)(b) by substituting "section 462B" for "section 462",

(d) in section 188(2A)(b) by substituting "section 462B, but without regard to subsections (1)(b), (1)(c), (3) and (5)" for "section 462, but without regard to subsections (1)(b), (2) and (3)",

(e) in Part 2 of the Table to section 458 by substituting "Section 462B" for "Section 462",

(f) in section 461A by substituting "section 462B" for "section 462",

(g) in section 462 by inserting the following subsection after subsection (5):

"(6) This section shall cease to apply for the year of assessment 2014 and subsequent years of assessment.",

(h) by inserting the following section before section 463:

"Single person child carer credit

462B. (1) (a) In this section—

'order', in relation to a child, means an order made by the court under section 11 of the Guardianship of Infants Act 1964 granting custody of the child to the child's father and mother jointly;

'qualifying child' in relation to any primary claimant and year of assessment means a child—

(i) who is born in the year of assessment,

(ii) who, at the commencement of the year of assessment, is under the age of 18 years, or

(iii) who, if over the age of 18 years at the commencement of the year of assessment—

(I) is receiving full-time instruction at any university, college, school or other educational establishment, or

(II) is permanently incapacitated by reason of mental or physical infirmity from maintaining himself or herself and had become so permanently incapacitated before he or she had attained the age of 21 years or had become so permanently

incapacitated after attaining the age of 21 years but while he or she had been in receipt of such full-time instruction,

and who—

(A) is a child of the primary claimant, or

(B) not being such a child is in the custody of the primary claimant, and is maintained by the primary claimant at the primary claimant's own expense for the whole or the greater part of the year of assessment or, in respect of a child born in the year of assessment, for the greater part of the period remaining in that year of assessment from the date of birth of that child.

(b) This section shall apply to an individual who is not entitled to a basic personal credit referred to in paragraph (a) or (b) of section 461.

(c) This section shall not apply for any year of assessment—

(i) in the case of either party to a marriage unless—

(I) the parties are separated under an order of a court of competent jurisdiction or by deed of separation, or

(II) they are in fact separated in such circumstances that the separation is likely to be permanent,

(ii) in the case of either civil partner in a civil partnership unless the civil partners are living separately in circumstances where reconciliation is unlikely, or

(iii) in the case of cohabitants.

(2) (a) This paragraph applies to an individual (in this section referred to as the 'primary claimant'), being an individual to whom this section applies, who proves for a year of assessment that a qualifying child is resident with him or her for the whole or the greater part of that year of assessment or, in respect of a child born in that year of assessment, for the greater part of the period remaining in that year of assessment from the date of birth of that child, provided that where a child is the subject of an order and the child resides with each parent for an equal part of the year of assessment, this paragraph shall apply to whichever of the parents referred to in that order is the recipient of the child benefit payment made under Part 4 of the Social Welfare Consolidation Act 2005.

(b) This paragraph applies to an individual (in this section referred to as the 'secondary claimant'), being an individual to whom this section applies, who proves for a year of assessment that a qualifying child of a primary claimant is resident with him or her for a period of, or periods that in aggregate amount to, not less than 100 days.

(3) Subject to subsection (5), an individual to whom subsection (2)(a) applies, shall be entitled to a tax credit (in this section referred to as a 'single person child carer credit') of €1,650.

(4) Subject to subsection (5), and notwithstanding subsection (3), where for any year of assessment a primary claimant would be entitled to a single person child carer credit but for the fact that he or she has, in the form specified by the Revenue Commissioners, relinquished his or her claim to that credit, a secondary claimant shall be entitled to claim a single person child carer credit in respect of the qualifying child concerned.

(5) A claimant under this section shall be entitled to only one single person child carer credit for any year of assessment irrespective of the number of qualifying children resident with the claimant in that year.

(6) (a) The references in subsection (1)(a) to a child receiving full-time instruction at an educational establishment shall include references to a child undergoing training by any person (in this subsection referred to as 'the employer') for any trade or profession in such circumstances that the child is required to devote the whole of his or her time to the training for a period of not less than 2 years.

(b) For the purpose of a claim in respect of a child undergoing training, the inspector may require the employer to furnish particulars with respect to the training of the child in such form as may be prescribed by the Revenue Commissioners.

(7) Where any question arises as to whether any person is entitled to a single person child carer credit in respect of a child over the age of 18 years as being a child who is receiving full-time instruction referred to in this section, the Revenue Commissioners may consult the Minister for Education and Skills.

(8) For the purposes of this section a child shall be treated as resident with an individual for any day where the child so resides for the greater part of that day.",

(i) in section 463(1) by substituting the following for the definition of "qualifying child":

" 'qualifying child', in relation to a claimant and a year of assessment, has the same meaning as in section 462B, and the question of whether a child is a qualifying child shall be determined on the same basis as it would be for the purposes of section 462B, and subsections (5), (6) and (7) of that section shall apply accordingly.",

(j) in section 1023(1) by substituting "462B" for "462", and

(k) in section 1031H(1) by substituting "462B" for "462".

(2) *Paragraphs (a)* to *(f)* and *(h)* to *(k)* of *subsection (1)* shall apply for the year of assessment 2014 and subsequent years of assessment.

Amendment of section 470 of Principal Act (relief for insurance against expense of illness)

8. (1) Section 470 of the Principal Act is amended in subsection (1)—

(a) by inserting the following definition:

" 'child' means an individual under the age of 18 years or, if over the age of 18 years and under the age of 23 years, who is receiving full-time education and in respect of whom the payment under a relevant contract has been reduced in accordance with paragraph (a)(ii) or (b)(i) of section 7(5) of the Health Insurance Act 1994;",

(b) by substituting the following for the definition of "relevant contract":

" 'relevant contract' means a contract of insurance which provides specifically, whether in conjunction with other benefits or not, for the reimbursement or discharge, in whole or in part, of—

(a) actual health expenses (within the meaning of section 469), being a contract of medical insurance, or

(b) dental expenses other than expenses in respect of routine dental treatment (within the meaning of section 469), being a contract of dental insurance;",

and

(c) by substituting the following for the definition of "relievable amount":

" 'relievable amount', in relation to a payment to an authorised insurer under a relevant contract, means—

(a) where the payment covers no benefits other than such reimbursement or discharge as is referred to in the definition of 'relevant contract', an amount equal to the full amount of the payment reduced by the amount of credit due (if any) under section 470B(4) and credit due (if any) under a risk equalisation scheme (within the meaning of the Health Insurance Act 1994), or

(b) where the payment covers benefits other than such reimbursement or discharge as is referred to in that definition, an amount equal to so much of the payment as is referable to such reimbursement or discharge reduced by the amount of credit due (if any) under section 470B(4) and credit due (if any) under a risk equalisation scheme (within the meaning of the Health Insurance Act 1994),

provided that in respect of a relevant contract renewed or entered into on or after 16 October 2013 the relievable amount in respect of any payment made under a relevant contract, in respect of any 12 month period covered by that contract, shall not exceed the aggregate of—

(i) the lesser of the relievable amount attributable to each individual, other than a child, to whom the relevant contract relates, or €1,000 in respect of each individual, and

(ii) the lesser of the relievable amount attributable to each child to whom the relevant contract relates, or €500 in respect of each child,

and where the contract is for a period of less than 12 months or being for a period of 12 months is terminated before the end of that period, the relievable amount shall be reduced proportionately.".

(2) This section shall apply in respect of relevant contracts (within the meaning of section 470 of the Principal Act) entered into or renewed on or after 16 October 2013.

Amendment of section 469 of Principal Act (relief for health expenses)

9. Section 469 of the Principal Act is amended in subsection (1)—

(a) by substituting the following for the definition of "educational psychologist":

" 'educational psychologist' means a psychologist who has expertise in the education of students;",

and

(b) by deleting the definition of "speech and language therapist".

Exemption in respect of annual allowance for reserve members of the Garda Síochána

10. The Principal Act is amended by inserting the following section after section 204:

"204A. The annual allowance payable under Regulation 15 of the Garda Síochána (Reserve Members) Regulations 2006 (S.I. No. 413 of 2006) shall be exempt from income tax and shall not be reckoned in computing income for the purposes of the Income Tax Acts.".

Benefit-in-kind: application of metric measurements

11. Section 6 of the Finance (No. 2) Act 2008 is amended—

(a) in subsection (1)—

(i) in paragraph (b)(i) by substituting "2014" for "2009",

(ii) in paragraph (d) by substituting "2014" for "2009",

(iii) in paragraph (f)(ii) by substituting "2014" for "2009", and

(iv) in paragraph (g)(ii) by substituting "2014" for "2009",

and

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

"(2) (a) Paragraphs (a), (b)(i), (c)(i), (c)(ii), (c)(iia) (inserted by section 159 of and Schedule 4(5) to the Finance Act 2010), (d), (f) and (g) of

subsection (1) shall apply as on and from 1 January 2014.

(b) Paragraphs (b)(ii), (c)(iii) and (e) of subsection (1) 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 126 of Principal Act (tax treatment of certain benefits payable under Social Welfare Acts)

12. Section 126 of the Principal Act is amended by inserting the following subsection after subsection (2A):

"(2B) Notwithstanding the provisions of section 112(1), where an increase in the amount of a pension to which section 112, 113, 117 or 157, as the case may be, of the Social Welfare Consolidation Act 2005 applies is paid in respect of a qualified adult (within the meaning of the Acts), that increase shall be treated for all the purposes of the Income Tax Acts as if it arises to and is payable to the beneficiary referred to in those sections of that Act.".

Amendment of section 472D of Principal Act (relief for key employees engaged in research and development activities)

13. Section 472D of the Principal Act is amended—

(a) in subsection (1), in paragraph (b) of the definition of "key employee", by substituting "whose emoluments" for "the emoluments",

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

"(2) (a) Where, as respects an accounting period, a relevant employer surrenders an amount under section 766(2A) for the benefit of a key employee, then subject to subsection (3), on the making of a claim, that employee shall be entitled for a tax year to have the income tax charged on his or her relevant emoluments for that tax year reduced by the amount surrendered.

(b) The tax year referred to in paragraph (a) is the tax year following the tax year during which the accounting period, referred to in that paragraph, of the relevant employer ends.

(c) Notwithstanding that, for the tax year for which a claim is made under this section, an employee is no longer a key employee of the company that surrendered an amount referred to in paragraph (a) but is an employee of that company, then he or she shall be entitled to have the income tax charged on emoluments from that company for that tax year reduced by the amount so referred to.",

(c) in subsection (3)—

(i) in paragraph (a)—

(I) by substituting "the employee concerned or" for "a key employee including", and

(II) by substituting "applies" for "apply",

and

(ii) by substituting the following for paragraph (b):

"(b) Paragraph (a) also applies where—

(i) paragraph (a) or (b) of subsection (4) applies, or

(ii) subsection (2) and paragraph (a) or (b) of subsection (4) apply for the same tax year.",

(d) in subsection (4)(a) by substituting "emoluments from that employer" for "relevant emoluments" in each place,

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

"(6) No reduction in income tax shall be given under this section for any tax year unless all tax deductible for that tax year from emoluments paid by the employer to the employee to whom the amount was surrendered has been remitted by that employer to the Collector-General in accordance with regulations made under Chapter 4 of Part 42.",

(f) by deleting subsections (7) and (8), and

(g) in subsection (9) by substituting "an individual makes a claim for relief under this section or has the income tax charged on his or her emoluments reduced as a consequence of a claim under this section" for "an individual makes a claim for relief under this section".

Amendment of section 473A of and Schedule 29 to Principal Act (relief for fees paid for third level education, etc.)

14. The Principal Act is amended—

(a) in section 473A—

(i) by substituting the following for subsection (4):

"(4) For the purposes of this section, a payment in respect of qualifying fees shall be regarded as not having been made in so far as any sum in respect of, or by reference to, such fees—

(a) has been or is to be received, directly or indirectly, by the individual or, as the case may be, the person by whom the course is being, or was, undertaken, from any source whatever by means of grant, scholarship or otherwise, or

(b) is refunded or partly refunded by an approved college.",

and

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

"(10) Where any fees that are the subject of a claim for relief under this section are refunded or partly refunded by an approved college, it shall be the duty of the individual by whom the claim is made to notify the Revenue Commissioners within 21 days of receipt of such refund that the refund has been received.",

and

(b) in Schedule 29, in column 3, by inserting "section 473A" after "section 267B".

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

15. (1) Section 480A of the Principal Act is amended—

(a) by substituting the following for subsections (1) to (4):

"(1) In this section—

'basis period', in relation to a year of assessment, means the period on the profits or gains of which income tax for the year of assessment is to be finally computed under the Income Tax Acts;

'EEA Agreement' means the Agreement on the European Economic Area signed at Oporto on 2 May 1992, as adjusted by all subsequent amendments to that Agreement;

'EEA state' means a state, other than the State, which is a contracting party to the EEA Agreement;

'EFTA state' means a state, other than an EEA state, which is a member of the European Free Trade Association;

'relevant individual' means an individual who—

(a) engaged in a specified occupation or carried on a specified profession,

(b) complied with the Income Tax Acts, and

(c) is resident in the State, an EEA state or an EFTA state in the retirement year;

'relevant period' means the retirement year and the 14 years of assessment immediately preceding the retirement year;

'relevant years' means the years of assessment as specified by the relevant individual, not exceeding 10 years of assessment, in the relevant period;

'retirement year' means the year of assessment in respect of which the relevant individual proves to the satisfaction of the Revenue Commissioners that he or she has, in that year of assessment, ceased

permanently to be engaged in a specified occupation or to carry on a specified profession;

'specified occupation' and 'specified profession' mean an occupation or profession, as the case may be, specified in Schedule 23A.

(2) Notwithstanding any other provision of the Income Tax Acts other than section 960H, this section applies to a relevant individual who ceased permanently to be engaged in a specified occupation or to carry on a specified profession.

(3) Where this section applies, the relevant individual shall, on the making of a claim in that behalf, within 4 years from the end of the retirement year, be entitled to have deductions made from his or her total income for the relevant years.

(4) (a) Subsection (3) shall apply notwithstanding any limitation in section 865(4) on the time within which a claim for a repayment of tax is required to be made.

(b) Section 865(6) shall not prevent the Revenue Commissioners from repaying an amount of tax as a consequence of a timely claim for relief under this section where a valid claim for a repayment of tax (within the meaning of section 865(1)(b)) has been made.",

and

(b) by substituting the following for subsection (7):

"(7) A claim under this section shall be made—

(a) where the relevant individual is required to submit a return of income in the retirement year, by including a claim in the return of income, or

(b) where the relevant individual is not required to submit a return of income in the retirement year, by submitting a claim to the Revenue Commissioners.".

(2) *Subsection (1)* applies in respect of retirements on or after 1 January 2014 from occupations or professions, as the case may be, specified in Schedule 23A to the Principal Act.

Limitation on amount of certain reliefs used by certain high income individuals

16. The Principal Act is amended—

(a) in Schedule 25B—

(i) in the matter set out opposite reference number 47A by substituting "section 490, where the subscription for eligible shares is made on or before 15 October 2013 or on or after 1 January 2017" for "section 490", and

(ii) by inserting the following after the matter set out opposite reference number

15B:

“

15C.	Section 284 (wear and tear allowances) subject to section 485C(1B).	An amount equal to the amount of wear and tear allowances (within the meaning of section 284) made to an individual in relation to specified plant and machinery for the tax year under section 284, or deemed to have been made to an individual under section 287, whether by virtue of section 298 or otherwise, including any such allowances or part of any such allowance made to the individual in a previous tax year and carried forward from that previous tax year in accordance with Part 9.
15D.	Section 288 (balancing allowances and balancing charges) subject to section 485C(1B).	An amount equal to the amount of the balancing allowance (within the meaning of section 288) made to an individual for the tax year under section 288 in relation to specified plant and machinery.

”,

(b) in section 485C by inserting the following after subsection (1A):

“(1B) (a) For the purposes of this subsection and Schedule 25B ‘specified plant and machinery’ means plant and machinery on which a wear and tear allowance may be granted under section 284, whether by virtue of section 298 or otherwise, which would be restricted by section 403(3) save for the provisions of section 403(9).

(b) Subject to paragraph (d), a wear and tear allowance granted under section 284, or deemed to have been made to an individual under section 287, whether by virtue of section 298 or otherwise, shall only be a specified relief to the extent it relates to specified plant and machinery.

(c) Subject to paragraph (d), a balancing allowance arising under section 288 shall only be a specified relief to the extent it relates to specified plant and machinery.

(d) This subsection and the matters set out opposite reference numbers 15C and 15D in Schedule 25B shall not apply to allowances granted to an individual who in respect of the trade to which the allowances relate is an active trader, within the meaning of section 409D, or an active partner, within the meaning of section 409A.”,

(c) in section 485FB(5)—

(i) by substituting “section 1016 or 1023” for “section 1016”, and

(ii) by substituting "section 1031B or 1031H" for "section 1031B",

and

(d) in section 485G(4)(a) by substituting "paragraph (b), subsection (5) and paragraph 5 of Schedule 24" for "paragraph (b) and subsection (5)".

Professional services withholding tax

17. (1) Chapter 1 of Part 18 of the Principal Act is amended—

(a) in section 521 by substituting the following for subsection (2):

"(2) Where any of the persons specified in Schedule 13 is a body corporate, 'accountable person' includes—

(a) any subsidiary of that body corporate where such subsidiary is resident in the State and, for the purposes of this subsection, 'subsidiary' has the meaning assigned to it by section 155 of the Companies Act 1963, and

(b) a company, resident in the State, of which more than one accountable person are members if the accountable persons—

(i) control the composition of its board of directors,

(ii) hold more than half in nominal value of its equity share capital, or

(iii) hold more than half in nominal value of its shares carrying voting rights (other than voting rights which arise only in specified circumstances).",

(b) in section 522 by substituting the following for paragraph (a):

"(a) the insurer shall, subject to section 529A, discharge the claim by making payment to the extent of the amount of the benefit, if any, due under the contract—

(i) to the practitioner who provided the professional services to the subscriber or member concerned to whom the relevant medical expenses relate, or

(ii) to the employer of the practitioner who provided the professional services to the subscriber or member concerned, where the professional services to which the claim relates were provided by the practitioner in the practitioner's capacity as employee rather than on the practitioner's own account,

and",

and

(c) in section 523(2)—

(i) in paragraph (a) by substituting "practitioner, an employer" for

"practitioner",

(ii) in paragraph (b) by substituting "the recipient" for "the practitioner or, as the case may be, the partnership", and

(iii) by substituting "the recipient shall" for "the practitioner or, as the case may be, the partnership shall".

(2) Schedule 13 to the Principal Act is amended by inserting the following after paragraph 191:

"192. Credit Union Restructuring Board.".

Retirement benefits

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

(a) in section 776(2)(ba)(i) by substituting the following for "retirement, or":

"retirement or from the balance of a lump sum payable to the employee in accordance with paragraph 5 of Appendix A of the Department of Finance Circular 12/09, dated 30 April 2009, entitled 'Incentivised Scheme of Early Retirement', or",

and

(b) in section 782A—

(i) in subsection (1)(a) by inserting the following definition:

" 'PRSA contract' has the meaning assigned to it in section 787A;",

and

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

"(2) Notwithstanding—

(a) section 32 of the Pensions Act 1990,

(b) the rules of a scheme of which a relevant individual is a member or the terms of a PRSA contract to which a relevant individual is party, or

(c) the provisions of a pension adjustment order made in relation to a relevant individual,

a relevant individual may during the specified period irrevocably instruct in writing the administrator of his or her AVC fund to exercise, on one occasion only, the option (in this section referred to as the 'pre-retirement access option') provided for in subsection (3).".

(2) Chapter 2C of Part 30 of the Principal Act is amended—

(a) in section 787O—

(i) in subsection (1)—

(I) by inserting the following definition:

" 'accrued pension amount', in relation to a benefit crystallisation event of the kind referred to in paragraph 2(a)(i) of Schedule 23B in respect of a relevant pension arrangement that is a defined benefit arrangement, means the part (if any), determined in accordance with subsection (2A), of the amount represented by P in the formula in paragraph 3(aa) of that Schedule that had accrued to the individual under the arrangement on the specified date;",

(II) in the definition of "personal fund threshold"—

(A) by substituting the following for paragraph (a)(i):

"(a) (i) where the individual is an individual to whom the Revenue Commissioners have issued a certificate or, as the case may be, a revised certificate in accordance with section 787P as that section applied at any time before the date of the passing of the *Finance (No. 2) Act 2013* (in this Chapter referred to as the 'earlier certificate'), the amount stated in the earlier certificate as being the individual's personal fund threshold, and",

(B) in paragraph (a)(ii) by substituting the following for all of the words from and including "in any other case" to the end of clause (I):

"in any other case, for the year of assessment 2014, the lesser of—

(I) €2,300,000, and",

and

(C) in paragraph (b) by substituting "year of assessment 2014" for "year of assessment 2011",

(III) in the definition of "specified date" by substituting "1 January 2014" for "7 December 2010", and

(IV) in the definition of "standard fund threshold"—

(A) by substituting the following for paragraph (a):

"(a) for the year of assessment 2014, €2,000,000, and",

and

(B) in paragraph (b) by substituting "year of assessment 2014" for "year of assessment 2011",

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

"(2) (a) Subject to paragraph (b), for the purposes of this Chapter and Schedule 23B, the relevant valuation factor in relation to a relevant pension arrangement that is a defined benefit arrangement (in this subsection referred to as the 'pension arrangement') is—

(i) on the specified date, 20, and

(ii) after the specified date, where at the date of the current event relating to the pension arrangement the individual has attained the age included in an entry in column (1) of the Table to Schedule 23B, the figure in column (2) of that Table opposite that entry (in this Chapter and Schedule 23B referred to as the 'relevant age-related factor').

(b) Where the administrator of a pension arrangement has, with the prior agreement of the Revenue Commissioners, used (before the specified date) a valuation factor (in this paragraph referred to as the 'first-mentioned factor') greater than the relevant valuation factor referred to in paragraph (a)(i) then, in such a case, for the purposes of this Chapter and Schedule 23B, the relevant valuation factor in relation to the pension arrangement is—

(i) on the specified date, the first-mentioned factor, and

(ii) after the specified date, the greater of the first-mentioned factor and the relevant age-related factor and the reference to the meaning of 'A' in the formula in paragraph 3(a) of Schedule 23B shall be construed accordingly.",

and

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

"(2A) For the purposes of this Chapter and Schedule 23B—

(a) where the individual has made a PFT notification (within the meaning of section 787P), the accrued pension amount shall be the annual amount of pension included in the statement from the administrator referred to in subsection (2)(a) of section 787P, and

(b) in any other case, the accrued pension amount shall be an amount equivalent to the annual amount of pension which would be represented by AP in the formula in paragraph 1(2)(b) of Schedule 23B, if the individual's uncrystallised pension rights under the arrangement on the specified date were being calculated.",

(b) by substituting the following section for section 787P:

"Maximum tax-relieved pension fund

787P. (1) An individual's maximum tax-relieved pension fund shall not exceed—

(a) the standard fund threshold, or

(b) the personal fund threshold, where—

(i) the conditions set out in subsection (2) are met and the Revenue Commissioners have issued a certificate in accordance with subsection (7) or a revised certificate in accordance with subsection (8), or

(ii) the Revenue Commissioners have issued an earlier certificate.

(2) The conditions referred to in subsection (1)(b)(i) are—

(a) that the individual requests and obtains from the administrator of each relevant pension arrangement of which he or she is a member a statement—

(i) certifying the amount of the crystallised or, as the case may be, uncrystallised pension rights in respect of the arrangement on the specified date, in relation to the individual (in this subsection referred to as the 'individual's pension rights'), calculated in accordance with the provisions of this Chapter and Schedule 23B,

(ii) where the arrangement is a defined benefit arrangement, certifying the annual amount of pension represented by AP in the formula in paragraph 1(2)(b) of Schedule 23B included in the calculation of the individual's pension rights, and

(iii) where the arrangement is an arrangement of a kind described in paragraph (a) of the definition of 'relevant pension arrangement' in section 787O(1), specifying the Revenue Approval Reference Number (in this subsection referred to as the 'reference number') of the arrangement,

and

(b) that the individual notifies the Revenue Commissioners, by such electronic means (within the meaning of section 917EA) as are required by the Commissioners, within the period of 12 months from the date the electronic means are made available by the Commissioners, or before the first benefit crystallisation event occurs after the specified date, whichever is the earlier, that he or she has a personal fund threshold and provides the following information (in this section referred to as the 'PFT notification')—

(i) his or her full name, address, telephone number and PPS Number,

(ii) the following particulars of each relevant pension arrangement in respect of which the personal fund threshold arises:

(I) the name, address and telephone number of the administrator;

(II) the name and reference number of the arrangement;

(III) whether the arrangement is a defined benefit or defined contribution arrangement;

(IV) (A) the amount of the individual's pension rights in respect of the arrangement as certified by the administrator for

the purposes of paragraph (a), and

(B) where the arrangement is a defined benefit arrangement, the annual amount of pension referred to in subsection (2)(a)(ii) as certified by the administrator for the purposes of paragraph (a);

and

(V) such other information and particulars as the Revenue Commissioners may reasonably require for the purposes of this Chapter and Schedule 23B.

(3) A statement referred to in subsection (2)(a) shall—

(a) be kept and retained by—

(i) the administrator, for the period of 6 years after the date of the benefit crystallisation event arising under the relevant pension arrangement or, where there is more than one such event, the date of the latest event, and

(ii) the individual, for the period of 6 years after the date of the last benefit crystallisation event arising in respect of the relevant pension arrangement or arrangements included in the PFT notification,

and

(b) on being so required by notice given to the administrator or, as the case may be, the individual in writing by an officer of the Revenue Commissioners, be made available to the officer within the time specified in the notice.

(4) Where a PFT notification is required to be made before the electronic means referred to in subsection (2)(b) are made available the notification shall be made in a manner approved by the Revenue Commissioners.

(5) A PFT notification made by electronic means shall be deemed to include a declaration to the effect that the notification is correct and complete.

(6) The administrator of each relevant pension arrangement of which an individual is a member shall comply with a request from the individual to provide a statement referred to in subsection (2)(a).

(7) Subject to subsection (8), the Revenue Commissioners, on receipt of a PFT notification, shall within 30 days of receipt, or such longer period as they may require for the purposes of this subsection, issue a certificate to the individual stating the amount of the personal fund threshold.

(8) The Revenue Commissioners may at any time withdraw a certificate

issued in accordance with subsection (7) (in this subsection referred to as the 'first-mentioned certificate') and, where appropriate, issue a revised certificate if, following the issue of the first-mentioned certificate, the Commissioners are satisfied that—

(a) the information included in the PFT notification is incorrect, or

(b) the individual is not entitled to a certificate.",

(c) in section 787Q—

(i) in subsection (7)—

(I) by substituting "20 per cent" for "50 per cent" in each place,

(II) in paragraph (a)(ii) by deleting "or",

(III) in paragraph (a)(iii) by substituting "paid, or" for "paid,",

(IV) in paragraph (a) by inserting the following subparagraph after subparagraph (iii):

"(iv) by the individual exercising the option referred to in subsection (8),",

(V) in paragraph (b) by inserting ", by the individual exercising the option referred to in subsection (8), or" after "where the amount of tax paid is greater than 50 per cent of the net lump sum",

(VI) in paragraph (b)(ii)(I) by substituting "20 years" for "10 years",

(VII) by deleting paragraph (c),

and

(ii) by inserting the following subsections after subsection (7):

"(8) The option referred to in paragraphs (a)(iv) and (b) of subsection (7) is the option to have the gross annual amount of pension payable to the individual under the rules of the relevant pension arrangement reduced for a period that does not exceed 20 years from the date of first payment of the pension, such that the reduction in the pension over the period is sufficient to reimburse the administrator for the tax paid.

(9) A payment by an individual to an administrator referred to in subparagraphs (ii) and (iii) of paragraph (a) of subsection (7) and in clauses (II) and (III) of paragraph (b)(i) of that subsection (in this subsection referred to as the 'first-mentioned payment') shall be made before the administrator pays the amount of the net lump sum or, as the case may be, such amount of the net lump sum as has not been appropriated to reimburse the administrator for the payment of tax arising on the chargeable excess and the administrator may withhold payment of that amount until such time as the first-mentioned payment is made by the individual.",

(d) in section 787R—

(i) in subsection (4)(d) by substituting the following for all of the words from and including "section 787P(5), whether issued before" to the end of that paragraph:

"section 787P(7) or, as the case may be, a copy of the revised certificate issued by the Commissioners under section 787P(8) (or, where relevant, a copy of the earlier certificate),",

and

(ii) in subsection (5) by substituting "paragraphs (a) to (f)" for "paragraphs (a) to (e)",

(e) in section 787TA by substituting the following for subsection (5):

"(5) A notification referred to in paragraph (a) or (b) of subsection (4) shall be in such form as may be prescribed or authorised by the Revenue Commissioners and shall include a declaration to the effect that the notification is correct and complete.

(5A) An individual shall be taken to have satisfied the conditions in subsection (4) notwithstanding that the notification referred to in paragraph (a) or (b) of that subsection has been made after the time limited by the said paragraph (a) or (b), as the case may be, has elapsed if the Revenue Commissioners consider that, in all of the circumstances, the failure of the individual to meet the conditions within the time limit concerned should be disregarded.",

and

(f) by inserting the following section after section 787TA:

"Penalties

787TB. A person who fails to comply with any of the obligations imposed on that person by this Chapter and any regulations made under it and by Schedule 23B shall, for each such failure, be liable to a penalty of €3,000.".

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

(a) in paragraph 1(2)(b) by inserting "on the specified date" after "RVF is the relevant valuation factor",

(b) in paragraph 3—

(i) by substituting the following for subparagraph (a):

"(a) subject to subparagraph (aa), where the benefit crystallisation event is an event of the kind referred to in paragraph 2(a)(i), an amount equivalent to the amount determined by the formula—

P x A

where—

P is the amount of pension which would be payable to the individual, on the assumption that there is no commutation of part of the pension for a lump sum, in the period of 12 months beginning with the day on which the individual becomes entitled to it and on the assumption that there is no increase in the pension throughout that period, and

A is the relevant age-related factor,",

(ii) by inserting the following paragraph after subparagraph (a):

"(aa) where the benefit crystallisation event is an event of the kind referred to in paragraph 2(a)(i) and the administrator of the relevant pension arrangement is satisfied, based on information and records available to the administrator, that there is an accrued pension amount in respect of that event, an amount equivalent to the amount determined by the formula—

$$(APA \times B) + ((P - APA) \times A)$$

where 'P' and 'A' have the meanings given to them respectively in the formula in subparagraph (a) and where—

APA is the accrued pension amount, and

B is the relevant valuation factor on the specified date,

and the administrator shall keep and preserve for a period of 6 years after the date of the event such information and records as may be required for the purposes of demonstrating to the satisfaction of an officer of the Revenue Commissioners that there was an accrued pension amount in respect of the event,",

and

(iii) in subparagraph (f)—

(I) by substituting "A x IP" for "RVF x IP", and

(II) by substituting "A is the relevant age–related factor, and" for "RVF is the relevant valuation factor, and",

and

(c) by inserting the following Table after paragraph 5:

"TABLE

Age	**Relevant age–related factor**
(1)	**(2)**
Up to and including 50	37
51	36

52	36
53	35
54	34
55	33
56	33
57	32
58	31
59	30
60	30
61	29
62	28
63	27
64	27
65	26
66	25
67	24
68	24
69	23
70 and over	22

”.

(4) (a) *Subsection (1)(a)* shall apply as respects the balance of a lump sum referred to in section 776(2)(ba)(i) (as amended by *subsection (1)(a)*) of the Principal Act paid on or after 1 May 2009.

(b) *Subsection (1)(b)* shall be deemed to have effect from 27 March 2013.

(c) *Subsections (2)* and *(3)* have effect from 1 January 2014.

Amendment of Schedule 12 to Principal Act (employee share ownership trusts)

19. Schedule 12 to the Principal Act is amended—

(a) in paragraph 11(2B)(e) by substituting “20 years” for “15 years”, and

(b) in paragraph 11A(5)(e) by substituting “20 years” for “15 years”.

CHAPTER 3

Income Tax, Corporation Tax and Capital Gains Tax

Farm taxation

20. (1) Section 667B of the Principal Act is amended—

(a) in subsection (4)(b) by substituting "the Qualifications and Quality Assurance Authority of Ireland" for "the National Qualifications Authority of Ireland", and

(b) in the Table to that section—

(i) in paragraph 1 by substituting "Qualifications awarded by the Qualifications and Quality Assurance Authority of Ireland" for "Qualifications awarded by the Further Education and Training Awards Council",

(ii) in paragraph 2 by substituting "Qualifications awarded by the Qualifications and Quality Assurance Authority of Ireland" for "Qualifications awarded by the Higher Education and Training Awards Council",

(iii) in paragraph 2—

(I) in subparagraph (o) by substituting "Equine Studies;" for "Equine Studies.", and

(II) by inserting the following subparagraph after subparagraph (o):

"(p) Higher Certificate in Science Applied Agriculture.",

and

(iv) in paragraph 3 by inserting the following subparagraphs after subparagraph (b):

"(ba) Bachelor of Agricultural Science – Animal Science Equine awarded by University College Dublin;

(bb) Bachelor of Agricultural Science – Dairy Business awarded by University College Dublin;".

(2) Section 667C of the Principal Act is amended—

(a) in subsection (2) by substituting "Subject to subsection (3) and (3A)," for "Subject to subsection (3)",

(b) by inserting the following subsection after subsection (3):

"(3A) (a) In this subsection—

'qualifying period', in relation to a specified person—

(i) means an accounting period in respect of which that person is entitled to a relevant deduction and each subsequent accounting period where the accounting periods in aggregate do not exceed 36 months where the specified person is a company, and

(ii) where the specified person is not a company, means a year of assessment in which that person is entitled to a relevant deduction and each of the 2 immediately succeeding years of assessment where the specified person is not a company;

'relevant deduction' means a deduction under section 666(1), in accordance with subsection (2)(a) of this section;

'relevant tax', in relation to a specified person—

(i) where the specified person is a company, means any corporation tax, and

(ii) where the specified person is not a company, means any income tax or universal social charge;

'relief' means an amount equivalent to an amount determined by the formula—

$$A - B$$

where—

A is the amount of relevant tax that would be payable by a specified person for a year of assessment or an accounting period, as the case may be, falling within the qualifying period computed as if subsection (2) had not been enacted, and

B is the amount of relevant tax payable by the specified person for that year of assessment or accounting period, as the case may be;

'specified person' means a person referred to in subsection (2), other than a person entitled to a deduction under subsection (1) of section 666 equal to 100 per cent of the excess referred to in the said subsection (1).

(b) A specified person shall be entitled to relief in respect of relevant deductions of an amount not exceeding €7,500 in the aggregate in the qualifying period.",

and

(c) by substituting the following for subsection (4):

"(4) This section shall apply in respect of any accounting period which begins on or after 1 January 2012 and ends on or before 31 December 2015.".

(3) *Subsection (1)*, other than *subparagraphs (iii)* and *(iv)* of *paragraph (b)*, shall apply with effect from 6 November 2012.

Amendment of section 766 of Principal Act (tax credit for research and development expenditure)

21. (1) Section 766 of the Principal Act is amended—

(a) in subsection (1)(a), in the definition of "qualifying group expenditure on research and development", by substituting "€300,000" for "€200,000",

(b) in subsection (1)(b)(viii) by substituting "15 per cent" for "10 per cent", and

(c) in subsection (7B) by substituting the following for paragraph (c):

"(c) (i) Subject to subparagraph (ii), where a company makes a claim in

respect of a specified amount and it is subsequently found that the claim is not as authorised by this section or by section 766A, as the case may be, then the company may be charged to tax under Case IV of Schedule D for the accounting period in respect of which the payment was made or the amount surrendered, as the case may be, in an amount equal to 4 times so much of the specified amount as is not so authorised.

(ii) Where a company makes a claim under subsection (2A) and it is subsequently found that the claim is deliberately false or overstated and that the amount surrendered in accordance with that claim is not as authorised by this section, then subparagraph (i) shall not apply and the company shall be charged to tax under Case IV of Schedule D for the accounting period in respect of which the amount was surrendered in an amount equal to 8 times so much of the amount surrendered as is not so authorised.".

(2) This section shall apply to accounting periods commencing on or after 1 January 2014.

Amendment of section 246 of Principal Act (interest payments by companies and to non-residents)

22. (1) Section 246 of the Principal Act is amended in subsection (3) by substituting the following for paragraph (bb):

"(bb) interest paid in the State—

(i) by a company to another company, being a company to which paragraph (a) of subsection (5) applies, for so long as that other company is a company to which that paragraph applies, or

(ii) by a company (in this paragraph referred to as the 'first-mentioned company') to which subparagraphs (i) and (ii) of subsection (5)(a) apply to another company resident in the State where that other company is deemed to be a member of the same group of companies as the first-mentioned company and for this purpose the provisions of subsection (1) of section 411 shall apply to determine whether companies are deemed to be members of the same group of companies as if references in that subsection to a 75 per cent subsidiary were references to a 51 per cent subsidiary,".

(2) *Subsection (1)* shall apply to interest paid on or after 1 January 2014.

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

23. (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 sum representing income tax on the amount of the payment at the rate of 41 per cent;",

(b) in section 261(c)(i)—

(i) by substituting the following for clause (II):

"(II) where the taxable income of that person includes relevant interest, the part of taxable income equal to that relevant interest shall be chargeable to tax at the rate at which tax was deducted from that relevant interest,",

and

(ii) by deleting clause (III),

(c) in section 261A—

(i) in subsection (1) by inserting "that is opened before 16 October 2013" after "account", and

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

"(9) An account shall cease to be a special term account on a date which is—

(a) 3 years after the day on which the account was opened if the account is a medium term account, or

(b) 5 years after the day on which the account was opened if the account is a long term account, including an account which was opened as a medium term account but which was subsequently converted into a long term account.",

(d) in section 267A(1)—

(i) in the definition of "long term share account" by substituting "account that is opened before 16 October 2013" for "account opened",

(ii) in the definition of "medium term share account" by substituting "account that is opened before 16 October 2013" for "account opened", and

(iii) by inserting the following definition:

" 'regular share account' means an account, other than a special share account or a special term share account, opened by a member (being an individual) with a credit union;",

(e) by inserting the following section after section 267A:

"Taxation of dividends on regular share accounts

267AA. A credit union shall treat—

(a) the value of shares held in a regular share account at any time, as

an amount of a relevant deposit held by it at that time, and

(b) the value of any dividend paid on those shares at any time, as an amount of relevant interest paid at that time in respect of such relevant deposit and the provisions of Chapter 4 of this Part shall apply to such relevant interest treated as paid by the credit union as they apply to relevant interest paid by a relevant deposit taker.",

(f) in section 267B—

(i) in subsection (2)(b) by deleting ", and the appropriate tax in respect of such relevant interest shall be at a rate of 33 per cent", and

(ii) in subsection (3)(b) by deleting ", and the appropriate tax in respect of such relevant interest shall be at a rate of 33 per cent",

(g) in section 267C by inserting the following subsection after subsection (5):

"(6) An account shall cease to be a special term share account on a date which is—

(a) 3 years after the day on which the account was opened if the account is a medium term share account, or

(b) 5 years after the day on which the account was opened if the account is a long term share account, including an account which was opened as a medium term share account but which was subsequently converted into a long term share account.",

and

(h) in section 267M by deleting "paragraph (b) of" where it occurs in subparagraphs (i) and (ii) of subsection (2)(a).

(2) *Subsection (1)* applies to interest or dividends (within the meaning of Part 8 of the Principal Act) paid on or after 1 January 2014.

Amendment of section 481 of Principal Act (relief for investment in films)

24. (1) Section 481 of the Principal Act is amended in subsection (1) by substituting the following for the definition of "eligible individual":

" 'eligible individual' means an individual employed by a qualifying company for the purposes of the production of a qualifying film;".

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

Film withholding tax

25. (1) The Principal Act is amended by inserting the following Chapter after section 529A:

"Chapter 1A

Payments in respect of non-resident artistes by companies qualifying for relief for investment in films

Interpretation (Chapter 1A)

529B. (1) In this Chapter—

'artiste' means an individual who provides artistic services;

'artistic services' means the services of an individual, when provided within the State, in giving a performance in audio-visual works of any kind, including films and television content, which is or may be made available to the public or any section of the public;

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

(a) where such payment does not include value-added tax, a sum representing income tax on the amount of that payment at the standard rate in force at the time of payment, and

(b) where such payment includes value-added tax, a sum representing income tax at the standard rate in force at the time of payment on the amount of that payment exclusive of the value-added tax;

'certificate of deduction' means a certificate issued in accordance with section 529D(2);

'chargeable period' means the period specified in a notice in writing given by the Revenue Commissioners to a person, being a period of one or more income tax months, in respect of which the person is required under section 529E to make a return to the Collector-General, or where no such notice issued, a calendar month;

'due date', in relation to a chargeable period, means the day that is 23 days after the end of that period;

'EEA Agreement' means the Agreement on the European Economic Area signed at Oporto on 2 May 1992, as adjusted by all subsequent amendments to that Agreement;

'EEA State' means a state which is a contracting party to the EEA Agreement;

'electronic means' has the meaning assigned to it in section 917EA(1);

'income tax month' means a calendar month;

'non-resident' means an individual who is neither resident nor ordinarily resident in the State, in another Member State or in another EEA state;

'qualifying company' has the meaning assigned to it in section 481;

'relevant payment' means any payment of whatever nature made,

whether directly or indirectly, by a qualifying company in a chargeable period in respect of artistic services provided by an artiste who is non-resident, whether or not the artistic services are provided directly or indirectly to the qualifying company including any payments relating to the exploitation of or compensation for any rights held by or on behalf of or in respect of the artiste who is non-resident, but excludes emoluments to which Chapter 4 of Part 42 applies;

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

'specified person' means a person to whom a relevant payment is due.

(2) For the purposes of this Chapter any reference to the amount of a relevant payment shall be construed as a reference to the amount which would be the amount of that payment as if no appropriate tax were required to be deducted from that payment.

Deduction of tax from relevant payments

529C. (1)(a) A qualifying company making a relevant payment shall deduct from the amount of the payment the appropriate tax in relation to the payment.

(b) The specified person shall allow such deduction on the receipt of the residue of the payment.

(c) The qualifying company shall be acquitted and discharged of such amount as is represented by the deduction, as if that amount had actually been paid to the specified person.

(2) (a) A specified person shall be entitled to have the amount of the relevant payment reduced by the amount of expenditure, which was not reimbursed or is not reimbursable, that was incurred in the provision of artistic services to a qualifying company.

(b) The amount of expenditure referred to in paragraph (a) shall be computed as if the artistic services provided to the qualifying company was a separate trade and the expenditure was incurred for the purposes of that trade.

(c) A specified person may make a claim to the Revenue Commissioners in respect of expenditure defrayed in accordance with paragraph (b).

(d) Where a Revenue officer is satisfied that the amount of expenditure claimed under paragraph (c) would not have been disallowed under section 81 if the specified person had provided the services directly to the qualifying company by carrying on a trade or profession chargeable to tax under Case I or Case II, then a Revenue officer shall issue a notification to the qualifying company specifying the amount of expenditure that shall be allowed as a deduction under paragraph (a).

(e) On receipt of a notification issued under paragraph (d), the qualifying company shall deduct the appropriate tax from the amount of the relevant payment after allowing the deduction in the notification issued under paragraph (d).

(3) A qualifying company which makes a relevant payment to a specified person in circumstances other than those referred to in subsection (1) shall—

(a) be liable to pay tax to the Revenue Commissioners at the standard rate on the amount of the relevant payment, and

(b) without prejudice to any other penalty to which the qualifying company may be liable and without prejudice to section 1078, be liable to a penalty of €5,000 or the amount of the tax payable under paragraph (a), whichever is the lesser.

Identification of, and issue of documents to, specified persons

529D. (1) A specified person shall furnish to a qualifying company details of the specified person's country of residence, address and tax reference in the country of residence.

(2) Where the specified person has complied with subsection (1) the qualifying company, on making a relevant payment, shall give to such person a certificate of deduction in a form prescribed by the Revenue Commissioners with particulars of—

(a) the name and address of the specified person,

(b) the specified person's tax reference as furnished in accordance with subsection (1),

(c) the amount of the relevant payment,

(d) the amount of the appropriate tax deducted from that payment, and

(e) the date on which the payment is made.

Returns by qualifying company

529E. (1) On or before the due date relating to a chargeable period, a qualifying company shall make a return to the Collector-General of all relevant payments made by the qualifying company during that chargeable period and shall specify on that return the amount of the qualifying company's tax liability under this Chapter.

(2) A return required under this section shall be made by electronic means and the relevant provisions of Chapter 6 of Part 38 shall apply.

(3) Where a qualifying company fails to submit the return due under subsection (1), the qualifying company shall, without prejudice to any other penalty to which the qualifying company may be liable and without prejudice to section 1078, be liable to a penalty of €5,000 or the amount of the tax due under subsection (2), whichever is the lesser.

(4) The Revenue Commissioners shall make regulations for the purposes of this section and such regulations may provide for—

(a) the manner by which qualifying companies shall communicate electronically with the Revenue Commissioners,

(b) the particulars to be included in the return required under this section, and

(c) any other matters relating to returns under this section by a qualifying company.

Payment of tax by qualifying company

529F. On or before the due date relating to a chargeable period, a qualifying company shall remit to the Collector-General all amounts of appropriate tax which the qualifying company is liable under this Chapter to deduct from relevant payments made by the qualifying company during that chargeable period.

Assessment by Revenue officer

529G. (1) Where a Revenue officer has reason to believe that there is an amount of appropriate tax in relation to a relevant payment that ought to have been but has not been included in a return under section 529E(1), or where the Revenue officer is dissatisfied with any such return, the Revenue officer may make an assessment on the qualifying company to the best of the officer's judgement of the amount of the appropriate tax which in the opinion of the officer is due and payable by the qualifying company for the chargeable period or periods.

(2) Without prejudice to section 529E but subject to subsection (4), the amount of tax specified in an assessment under subsection (1) shall be due and payable to the Revenue Commissioners from the qualifying company so assessed.

(3) (a) A Revenue officer may, where the officer considers this necessary, amend an assessment of tax made under subsection (1), and where, in accordance with this section, the Revenue officer makes or amends an assessment, the officer shall give notice to the qualifying company assessed showing the total amount of tax due and payable in accordance with the assessment.

(b) Without prejudice to anything in this section, the provisions of Chapter 5 of Part 41A, including those relating to time limits shall, with any necessary modifications, apply to the making and amending of an assessment under this section.

(c) The Revenue officer may issue the notice of assessment or of amended assessment by electronic means.

(4) (a) Where a notice is given to a qualifying company under subsection (3), the qualifying company may, if the qualifying company claims that the total amount of tax assessed is excessive, on giving notice

in writing to the Revenue officer within the period of 30 days from the date of the notice, appeal to the Appeal Commissioners.

(b) A qualifying company to whom notice is given under subsection (3), shall not be entitled to appeal to the Appeal Commissioners—

(i) in the case of a qualifying company who has made a return under section 529E, until that qualifying company has paid the tax due and payable on the basis of the qualifying company's return together with the related interest due under section 529H, and

(ii) in any other case, until the qualifying company has made a return under section 529E for the return period concerned and has paid the tax due and payable on the basis of that return together with the related interest due under section 529H.

(c) The Appeal Commissioners shall hear and determine an appeal made to them under this subsection as if it were an appeal against an assessment to income tax and the provisions of the Income Tax Acts relating to such appeals and to the rehearing of an appeal and to the statement of a case for the opinion of the High Court on a point of law shall apply accordingly with any necessary modifications.

Interest on late payment of appropriate tax

529H. (1) Where an amount of tax which a qualifying company is liable to pay under this Chapter to the Collector-General is not paid by the due date concerned, simple interest on the amount outstanding shall be paid by the qualifying company to the Collector-General and shall be calculated from the due date concerned until payment, for any day or part of a day during which the amount remains unpaid at the rate specified in section 1080.

(2) Subsections (3) to (5) of section 1080 shall apply in relation to interest payable under subsection (1) as they apply in relation to interest payable under that section.

Repayment of appropriate tax

529I. (1) Notwithstanding anything in the Tax Acts—

(a) subject to paragraph (d), no repayment of appropriate tax in respect of any relevant payment shall be made to any specified person receiving or entitled to the relevant payment,

(b) the amount of any relevant payment shall be deemed to be income of the specified person and chargeable to income tax under Case IV of Schedule D and under no other Case or Schedule, and shall be taken into account in computing the total income of the person entitled to that amount but in relation to such a person—

(i) except for the purposes of a claim to repayment under paragraph

(d), the specified amount within the meaning of section 188(2) shall, as respects the year of assessment for which the person is to be charged to income tax in respect of the relevant payment, be increased by that amount, and

(ii) where the taxable income of that person includes a relevant payment then the part of the taxable income, equal to that relevant payment, shall be chargeable to tax at the rate at which tax was deducted from the relevant payment,

(c) section 59 shall apply as if a reference to appropriate tax deductible by virtue of this Chapter were contained in paragraph (a) of that section,

(d) (i) a specified person shall be entitled in computing the income chargeable under Case IV, in accordance with paragraph (b), to a deduction in respect of expenditure, which was not reimbursed or is not reimbursable, incurred in the provision of artistic services to a qualifying company,

(ii) the amount of expenditure referred to in subparagraph (i) shall be computed as if the artistic services provided to the qualifying company was a separate trade or profession and the expenditure was incurred for the purposes of that trade or profession,

(iii) a specified person may make a claim for repayment of appropriate tax to the Revenue Commissioners in respect of expenditure incurred in accordance with subparagraph (ii),

(iv) on receipt of a claim under subparagraph (iii) a Revenue officer shall make a determination on an amount that is equal to the expenditure that would not have been disallowed as a deduction under section 81 if the specified person had provided the services directly to the qualifying company by carrying on a trade or profession chargeable to tax under Case I or Case II,

(v) a repayment of the appropriate tax charged on the amount determined by a Revenue officer under subparagraph (iv) shall be made to the specified person,

(vi) following a determination under subparagraph (iv) and the application of subparagraph (v) the Revenue Commissioners shall notify the specified person of the repayment, if any, that is due,

(vii) a claim may not be made under this section where the relevant payment has been reduced, in respect of expenditure incurred, under section 529C(2).

(2) On receipt of a notice of a determination made under subsection (1)(d)(iv), a specified person who is aggrieved by the determination may, by notice in writing given to the Revenue Commissioners within 30 days

of the date of the determination, appeal to the Appeal Commissioners.

(3) The Appeal Commissioners shall hear and determine an appeal made to them under subsection (2) as if it were an appeal against an assessment to income tax and the provisions of the Income Tax Acts relating to such appeals and to the rehearing of an appeal and to the statement of a case for the opinion of the High Court on a point of law shall apply accordingly with any necessary modifications.

(4) The Revenue Commissioners shall make regulations for the purposes of this section and such regulations may provide for—

(a) the manner by which specified persons shall communicate with the Revenue Commissioners,

(b) the particulars to be included in a claim for a repayment under this section,

(c) the transmission of information in connection with appeals,

(d) any other matters related to repayments under this section.

Obligation on specified person

529J. Every specified person shall furnish to a qualifying company, on request, all such information or particulars as are required by the qualifying company to enable the qualifying company to comply with this Chapter.

Record keeping and inspection of records

529K.(1) Without prejudice to any other provision of the Tax Acts each qualifying company shall keep and maintain a record of all relevant payments made and the record shall state, in relation to each such payment, the name, address and tax reference of the specified person or the artiste, as appropriate, the date of the payment, the amount of the payment and the amount of appropriate tax deducted from the payment.

(2) The obligations contained in subsections (3) and (4) of section 886 to keep and retain records and linking documents apply to all records, documents and other data created or maintained manually or by any electronic means for the purposes of this Chapter.

(3) (a) Without prejudice to other provisions of the Tax Acts, any person, or any employee of a person, who has made or received a relevant payment, shall produce to a Revenue officer for inspection all documents and records relating to the relevant payment as are in the power, possession or procurement of such person or employee, as the case may be, which have been requested by the Revenue officer.

(b) For the purposes of subsection (1), any Revenue officer who exercises powers or performs duties, as the case may be, under this section shall be authorised in writing by the Revenue

Commissioners to exercise those powers or perform those duties.

(c) An authorised officer when exercising powers or performing duties under this section shall, on request, produce evidence of the officer's authorisation.

Civil penalties

529L. Chapter 3A of Part 47 applies, with any necessary modification, to a penalty arising under section 529C(3) or 529E(3).

Miscellaneous

529M.(1) Regulations made under this Chapter shall be laid before Dáil Éireann as soon as may be after they are made and, if a resolution annulling those regulations is passed by Dáil Éireann within the next 21 days on which Dáil Éireann has sat after the regulations are laid before it, the regulations shall be annulled accordingly, but without prejudice to the validity of anything previously done under them.

(2) (a) Anything required to be done by a qualifying company under this Chapter or under regulations made under this Chapter may be done by another person acting under the authority of the qualifying company.

(b) Where anything is done by such other person under the authority of a qualifying company, this Chapter shall apply as if it had been done by the qualifying company.

(c) Anything purporting to have been done by or on behalf of a qualifying company shall for the purposes of this Chapter be deemed to have been done by the qualifying company or under the qualifying company's authority, as the case may be, unless the contrary is proved.

(3) Anything to be done by or under this Chapter by the Revenue Commissioners, other than the making of regulations, may be done by any Revenue officer or may, if appropriate, be done through such electronic systems as the Revenue Commissioners may put in place for the time being for any such purpose.".

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

Amendment of section 530F of Principal Act (obligation on principals to deduct tax)

26. Section 530F of the Principal Act is amended in subsection (3)(a) by deleting "by the due date for the return".

Amendment of section 891E of Principal Act (implementation of the Agreement to Improve Tax Compliance and Provide for Reporting and Exchange of Information concerning Tax Matters (United States of America) Order 2013)

27. Section 891E of the Principal Act is amended in subsection (10)(b) by substituting "to which the return relates" for "in which the return is received".

Amendment of Schedule 24 to Principal Act (relief from income tax and corporation tax by means of credit in respect of foreign tax)

28. (1) Schedule 24 to the Principal Act is amended—

(a) in paragraph 5 by inserting the following after subparagraph (3):

"(4) Where Chapter 2A of Part 15 applies to a person for a tax year, the specified rate shall be ascertained by dividing the income tax payable by that person for that year in accordance with section 485E by the amount of the individual's adjusted income, within the meaning of section 485C, for that year.",

(b) in paragraph 7—

(i) in subparagraph (3) by substituting the following for clause (c):

"(c) notwithstanding anything in clauses (a) and (b), where any part of the foreign tax in respect of the income (including any foreign tax which under clause (b) is to be treated as increasing the amount of the income) cannot be allowed as a credit against either income tax or corporation tax, the amount of the income shall be treated as reduced by that part of that foreign tax, but, for the purposes of corporation tax, the amount by which the income is treated as reduced by that part of the foreign tax shall not exceed the amount of income which would be the amount referred to in paragraph 4 as 'the relevant income', taking account of the provisions of subparagraphs (2) and (2A) of that paragraph.",

and

(ii) in subparagraph (4) by substituting "total income or the adjusted income, as the case may be," for "total income",

and

(c) in paragraph 9DC by inserting the following subparagraphs after subparagraph (2):

"(3) For the purposes of subparagraph (4)—

(a) as respects any leasing income included in trading income for an accounting period of a trade carried on by a company, and

(b) taking account of payments for the use of, or the right to use, specific equipment as a separate leasing income,

an amount shall be treated as unrelieved foreign tax, or unrelieved relevant foreign tax, of that accounting period in respect of that leasing income, being—

(i) in the case of foreign tax, which is deducted, or treated as so deducted by subparagraph (4), from that leasing income, the sum of—

(I) so much of that tax as is neither allowed as a credit against corporation tax nor treated as reducing income under paragraph 7(3)(c), and

(II) 87.5 per cent of the amount of foreign tax by which income is treated as reduced by virtue of paragraph 7(3)(c),

and

(ii) in the case of relevant foreign tax, the amount by which 87.5 per cent of that relevant foreign tax, which is deducted, or treated as so deducted by subparagraph (4), from that leasing income, exceeds the amount of corporation tax which is treated as attributable to that leasing income for the purposes of this paragraph.

(4) Where, taking account of payments for the use of, or the right to use, specific equipment as a separate leasing income, a company is in receipt of a leasing income for an accounting period (in this subparagraph referred to as 'the first-mentioned accounting period') from which foreign tax or relevant foreign tax has been deducted, then for the purposes of the Corporation Tax Acts any unrelieved foreign tax, or unrelieved relevant foreign tax, of the accounting period immediately preceding the first-mentioned accounting period in respect of the same leasing income shall be treated as foreign tax or relevant foreign tax, as the case may be, deducted from such leasing income of the first-mentioned accounting period.".

(2) *Paragraphs (a)* and *(b)(ii)* of *subsection (1)* apply as respects any relief, deduction, credit in relation to tax or, as the case may be, a reduction in the amount of tax payable, details of which fall to be included in particulars on a return, required to be delivered under section 951 of the Principal Act, which was delivered on or after 31 January 2008.

(3) *Paragraphs (b)(i)* and *(c)* of *subsection (1)* apply as respects accounting periods beginning on or after 1 January 2014.

Securities issued by Irish Water

29. (1) The Principal Act is amended—

(a) in the Table to section 37 by inserting the following after "Securities issued on or after the 28th day of May, 1992 by Bord Gáis Éireann.":

"Securities issued on or after the 24th day of October 2013 by Irish Water.",

and

(b) in section 607(1)(d) by inserting "Irish Water," after "Bord Gáis Éireann,".

(2) *Subsection (1)(b)* has effect as respects any securities issued by Irish Water on or after 24 October 2013.

Life assurance policies and investment funds

30. (1) The Principal Act is amended in section 730F(1)—

(a) in paragraph (a)(ii) by substituting "41 per cent" for "36 per cent", and

(b) in paragraph (b) by substituting "at the rate of 60 per cent" for "at a rate determined by the formula— (S + 36) per cent where S is the standard rate per cent (within the meaning of section 4)".

(2) The Principal Act is amended in section 730J—

(a) in paragraph (a)(i)(I) by substituting "41 per cent" for "33 per cent",

(b) in paragraph (a)(i)(II)(A) by substituting "at the rate of 60 per cent" for "at the rate determined by the formula— (S + 36) per cent where S is the standard rate per cent for the year of assessment in which the payment is made",

(c) in paragraph (a)(i)(II)(B) by substituting "41 per cent" for "36 per cent", and

(d) in paragraph (a)(ii)(I) by substituting "at the rate of 80 per cent" for "at the rate determined by the formula— (H + 33) per cent where H is a rate per cent determined in relation to the person by section 15 for the year of assessment in which the payment is made".

(3) The Principal Act is amended in section 730K(1)—

(a) in paragraph (a) by substituting "at the rate of 60 per cent" for "at the rate determined by the formula— (S + 36) per cent where S is the standard rate per cent for the year of assessment in which the payment is made", and

(b) in paragraph (b) by substituting "41 per cent" for "36 per cent".

(4) The Principal Act is amended in Chapter 1A of Part 27—

(a) in section 739D(5A), in the formula in paragraph (b), by substituting "(G x 41)" for "(G x 36)", and

(b) in section 739E(1)—

(i) in paragraph (a)(ii) by substituting "41 per cent" for "33 per cent",

(ii) in paragraph (b)(ii) by substituting "41 per cent" for "36 per cent", and

(iii) in paragraph (ba) by substituting "at the rate of 60 per cent" for "at a rate determined by the formula— (S + 36) per cent, where S is the standard rate per cent (within the meaning of section 4)".

(5) The Principal Act is amended in Chapter 4 of Part 27—

(a) in section 747D(a)(i)(I)—

(i) in subclause (A) by substituting "at the rate of 60 per cent" for "at the rate determined by the formula— (S + 36) per cent where S is the standard rate per cent for the year of assessment in which the payment is made", and

(ii) in subclause (B) by substituting "41 per cent" for "33 per cent",

(b) in section 747D(a)(i)(II)—

(i) in subclause (A) by substituting "at the rate of 60 per cent" for "at the rate determined by the formula— (S + 36) per cent, where S is the standard rate per cent for the year of assessment in which the payment is made", and

(ii) in subclause (B) by substituting "41 per cent" for "36 per cent",

(c) in section 747D(a)(ii)(I) by substituting "at the rate of 80 per cent" for "at the rate determined by the formula— (H + 33) per cent, where H is the rate per cent determined in relation to the person by section 15 for the year of assessment in which the payment is made", and

(d) in section 747E(1)(b)—

(i) in subparagraph (i) by substituting "at the rate of 60 per cent" for "at the rate determined by the formula— (S + 36) per cent, where S is the standard rate per cent for the year of assessment in which the payment is made", and

(ii) in subparagraph (ii) by substituting "41 per cent" for "36 per cent".

(6) (a) *Subsection (1)* applies and has effect as respects the happening of a chargeable event in relation to a life policy (within the meaning of Chapter 5 of Part 26 of the Principal Act) on or after 1 January 2014.

(b) *Subsection (2)* applies and has effect as respects the receipt by a person of a payment in respect of a foreign life policy (within the meaning of Chapter 6 of Part 26 of the Principal Act) on or after 1 January 2014.

(c) *Subsection (3)* applies and has effect as respects the disposal in whole or in part of a foreign life policy (within the meaning of Chapter 6 of Part 26 of the Principal Act) on or after 1 January 2014.

(d) *Subsection (4)* applies and has effect as respects the happening of a chargeable event in relation to an investment undertaking (within the meaning of section 739B(1) of the Principal Act) on or after 1 January 2014.

(e) *Paragraphs (a)* to *(c)* of *subsection (5)* apply and have effect as respects the receipt by a person of a payment in respect of a material interest in an offshore fund (within the meaning of Chapter 4 of Part 27 of the Principal Act) on or after 1 January 2014.

(f) *Paragraph (d)* of *subsection (5)* applies and has effect as respects the disposal in whole or in part by a person of a material interest in an offshore fund (within the meaning of Chapter 4 of Part 27 of the Principal Act) on or after 1 January 2014.

Living City Initiative

31. (1) The Principal Act is amended in Chapter 13 (inserted by section 30 of the Finance Act 2013) of Part 10—

(a) in section 372AAA—

(i) by deleting the definition of "Georgian house", and

(ii) by inserting the following definition:

" 'relevant house' means a building, constructed before 1915 for use as a dwelling, comprising at least 2 storeys, with or without a basement;",

(b) in section 372AAB(1), in the definition of "qualifying premises", by substituting "relevant" for "Georgian", and

(c) in section 372AAC—

(i) in subsection (3) by substituting "relevant" for "Georgian", and

(ii) in subsection (8) by substituting "any public or local authority" for "any public local authority" in paragraph (b).

(2) The Principal Act is amended—

(a) in Part 1 of the Table to section 458 by inserting "Section 372AAB",

(b) in section 1024(2)(a)(i) by substituting "sections 244, 372AR and 372AAB" for "sections 244 and 372AR", and

(c) in section 1031I(2)(a)(i) by substituting "sections 244, 372AR and 372AAB" for "sections 244 and 372AR".

(3) *Subsection (2)* shall come into operation on such date as the Minister for Finance may appoint by order.

CHAPTER 4

Corporation Tax

Amendment of section 77 of Principal Act (miscellaneous special rules for computation of income)

32. (1) Section 77 of the Principal Act is amended—

(a) in subsection (6A)(b) by substituting "so much of the relevant foreign tax in relation to the relevant interest as does not exceed that amount of the income referable to the relevant interest" for "the relevant foreign tax in relation to the relevant interest", and

(b) in subsection (6B)(b) by substituting "so much of the relevant foreign tax in relation to the relevant royalties as does not exceed that amount of the income referable to the relevant royalties" for "the relevant foreign tax in relation to the relevant royalties".

(2) This section shall apply as respects accounting periods beginning on or after 1 January 2014.

Amendment of section 396C of Principal Act (relief from corporation tax for losses of participating institutions)

33. Section 396C of the Principal Act is amended in subsection (5) by inserting "and before 1 January 2014" after "2009".

Amendment of section 411 of Principal Act (surrender of relief between members of groups and consortia)

34. (1) Section 411 of the Principal Act is amended in subsection (1)(c)(ii)(II) by deleting "or, where the company is a 75 per cent subsidiary of another company, the principal class of shares of that other company,".

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

Deferral of exit tax

35. (1) The Principal Act is amended in Chapter 2 of Part 20 by inserting the following section after section 628:

"628A. (1) In this section—

'chargeable period' means a year of assessment or an accounting period, as the case may be;

'disposal of assets' means a disposal of migrated assets;

'EEA Agreement' means the Agreement on the European Economic Area signed at Oporto on 2 May 1992, as adjusted by all subsequent amendments to that Agreement;

'EEA State' means a state which is a contracting party to the EEA Agreement;

'electronic means' has the meaning assigned to it in section 917EA(1);

'migrated assets' means the assets of a migrating company, the chargeable gain on the deemed disposal of which was taken into account in determining the amount of relevant tax;

'migrating company' means a company which ceases to be resident in the State and becomes resident, under the law of a relevant territory, in that territory for the purposes of tax;

'migration date' means the date, on or after 1 January 2014, on which a company ceases to be resident in the State;

'relevant event' means—

(a) the appointment of a liquidator to the migrating company,

(b) any event under the law of a relevant territory corresponding to the event specified in paragraph (a),

(c) the migrating company ceasing to be resident, under the law of a relevant territory, in that territory for the purposes of tax, and not becoming so resident in another relevant territory for that purpose, or

(d) any failure to pay relevant tax by the date that it becomes due and payable;

'relevant period', in respect of which a statement under paragraph (b) of subsection (4) is to be made, is the calendar year immediately preceding the 21-day period in which the statement is to be made, except that in respect of the first such statement of the 5 or 9 statements, as the case may be, referred to in that subsection, such period shall be the period commencing at the migration date and ending on the last day before the beginning of the calendar year in respect of which the next such statement is to be made;

'relevant tax' means tax payable, other than tax in respect of the amount of any postponed gain under section 628, which but for section 627 would not be payable by a migrating company for a chargeable period;

'relevant territory' means a Member State (other than the State) or an EEA State;

'specified date' means—

(a) in relation to corporation tax, the last day of the period of 9 months starting on the day immediately following the migration date, but in any event not later than day 23 of the month in which that period of 9 months ends, or

(b) in relation to capital gains tax payable in respect of a year of assessment in which the migration date occurs, 31 October in the tax year following that year;

'tax', in relation to a relevant territory other than the State, means any tax imposed in that territory which corresponds to income tax or corporation tax.

(2) Subject to the provisions of this section, a migrating company may elect to pay relevant tax—

(a) in 6 equal instalments at yearly intervals, the first instalment of which shall be due and payable on the specified date, and the remaining 5 instalments shall be due and payable respectively on each of the next 5 anniversaries of the specified date, or

(b) not later than 60 days after the date of disposal of assets.

(3) Where a migrating company makes an election to pay relevant tax—

(a) in accordance with paragraph (a) of subsection (2), relevant tax shall be payable in 6 equal instalments at yearly intervals in accordance with that paragraph, or

(b) in accordance with paragraph (b) of subsection (2)—

(i) so much of the relevant tax shall be paid on the disposal of assets by the company as bears the same proportion to the relevant tax as the chargeable gains, computed on the deemed disposal of those assets at the migration date, bears to the aggregate of the chargeable gains computed on the deemed disposal of the assets by the company at the migration date, and

(ii) any relevant tax which is not due and payable within a period of 10 years from the migration date, shall be deemed to become due and payable on the tenth anniversary of the migration date.

(4) (a) An election under subsection (2) shall—

(i) be made in the return under section 959I—

(I) where the relevant tax is corporation tax, for the accounting period which ends on the migration date for the company, or

(II) where the relevant tax is capital gains tax, for the year of assessment in which the migration date for the company occurs,

and that return shall be made by electronic means (in accordance with Chapter 6 of Part 38);

(ii) specify—

(I) the date on which the company ceased to be resident in the State,

(II) the relevant territory in which the migrating company has become resident,

(III) the amount of the relevant tax, and

(IV) whether the election is being made to pay relevant tax in accordance with paragraph (a) or (b) of subsection (2);

and

(iii) provide such other information as may be required by the Revenue Commissioners for the purposes of this section.

(b) Where an election is made to pay relevant tax in accordance with—

(i) subsection (2)(a), the migrating company shall within 21 days of the end of each of the 5 calendar years which follow the year in which the migration date occurs, or

(ii) subsection (2)(b), the migrating company shall within 21 days of the end of each of the 9 calendar years which follow the year in which the migration date occurs,

deliver to the Revenue Commissioners a statement, notwithstanding that the migrating company has not received a notice to prepare and deliver such a statement, by such electronic means and in such form and format as the Revenue Commissioners may specify, in respect of the relevant period, for the purposes of relevant tax—

(I) specifying whether the company is treated under the laws of a relevant territory as resident for the purposes of tax in that territory throughout that relevant period,

(II) where the company has made an election to pay relevant tax in accordance with subsection (2)(b)—

(A) stating whether any relevant tax became due and payable during that relevant period,

(B) specifying the amount of that tax, the amount of the related interest charge and whether that tax and interest has been paid, and

(C) setting out the computation of that tax and interest, in accordance with subsections (3)(b)(i) and (6),

and

(III) providing such other information as may be required by the Revenue Commissioners for the purposes of this section.

(5) Notwithstanding subsections (2) and (3) if, at any time within 10 years of the migration date, a relevant event occurs, then any amount of relevant tax which has not been paid at the time of the relevant event, and any interest charged on that amount in accordance with subsection (6), shall become due and payable on the occurrence of the relevant event.

(6) (a) Where relevant tax becomes due and payable at any time under this section, simple interest shall be payable on the amount of that relevant tax and shall be calculated, from the specified date until payment, for any day or part of a day during which the amount of relevant tax remains unpaid, at the prevailing rate specified in the Table to subsection (2)(c)(ii) of section 1080, and such interest shall be due and payable when the relevant tax concerned is due and payable.

(b) Interest charged on the relevant tax shall be added to each of the instalments mentioned in subsection (2)(a) or, where subsection (2)(b), (3)(b)(ii) or (5) applies, added to the amount of relevant tax,

and shall be paid at the same time as such instalment is due or at the same time as relevant tax is payable in accordance with subsection (2)(b), (3)(b)(ii) or (5), as the case may be.

(7) The Revenue Commissioners may, where it appears to them that the deferral of tax would otherwise present a serious risk to collection of the tax, require a migrating company which has made an election under subsection (2) to give security, or further security, of such amounts and in such form and manner as they may determine, for the payment of relevant tax, within 30 days from the date of service on the company of a notice in writing.

(8) All amounts of relevant tax and interest shall be paid to the Collector-General.

(9) Any amount of relevant tax and interest payable in accordance with this section shall be payable without the making of an assessment.

(10) (a) The Collector-General may, at any time before the end of the period beginning with the date on which that tax was due and payable by reference to this section and ending 3 years after the time when a statement under subsection (4)(b), specifying the amount of that tax, is made and delivered to the Collector-General, serve on—

(i) a company which is, or during the period of 12 months ending with the date when relevant tax became due and payable was, a member of the same group (within the meaning of section 629(1)) as the migrating company, or

(ii) a person who is, or during the period mentioned in subparagraph (i) was, a controlling director (within the meaning of section 629(1)) of the migrating company or of a company which has, or within that period had, control over the migrating company,

a notice—

(I) stating the amount which remains unpaid of the relevant tax payable by the migrating company and the date on which the tax became due and payable, and

(II) requiring the company referred to in subparagraph (i) or the person referred to in subparagraph (ii), as the case may be, to pay that amount within 30 days of service of the notice,

and in the event of the serving of such notice the amount referred to in subparagraph (I) shall be so payable by the company or person concerned, as the case may be.

(b) Any amount which a person is required to pay by a notice under this subsection may be recovered from the person as if it were tax due by such person, and such person may recover any such amount paid on foot of a notice under this section from the migrating

company.

(c) A payment in pursuance of a notice under this subsection shall not be allowed as a deduction in computing income, profits or losses for any tax purposes.

(11) Without prejudice to the provisions of this section, the provisions of the Corporation Tax Acts and the Capital Gains Tax Acts, as appropriate, relating to the collection and recovery of corporation tax, capital gains tax, and interest, shall apply, with any necessary modifications, to the collection and recovery of relevant tax and interest payable in accordance with this section as they apply to any other corporation tax, capital gains tax, and interest.".

(2) *Subsection (1)* shall come into operation on 1 January 2014.

REITs

36. Part 25A of the Principal Act is amended—

(a) in section 705A, in the definition of "holding company", by substituting "definition of 'group' " for "immediately preceding definition",

(b) in section 705K(1)(a) by substituting "section 705B(1)(b)(vi), or" for "section 705B(1)(b)(iv),",

(c) in section 705L—

(i) in subsection (3) by deleting ", as the case may be," where it first occurs, and

(ii) in subsection (5) by deleting ", as the case may be," where it first occurs,

(d) in section 705N by substituting "section 705B(1)(b)(vi)" for "section 705B(1)(b)(iv)", and

(e) in section 705P—

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

"(1) Where a notice is given under subsection (1) or (4) of section 705O, a company or group that has ceased to be a REIT or group REIT is to be treated for corporation tax purposes as having ceased, at the date specified in the notice, to be a REIT or group REIT, as the case may be.",

and

(ii) in subsection (2)—

(I) by substituting "subsection (1) or (4) of section 705O" for "sections 705O(1) or (4)", and

(II) by deleting ", as the case may be," where it first occurs.

Amendment of Schedule 4 to Principal Act (exemption of specified non-commercial State-sponsored bodies from certain tax provisions)

37. (1) Schedule 4 to the Principal Act is amended by inserting the following after paragraph 96:

"96A. The Teaching Council.".

(2) *Subsection (1)* is deemed to have come into force and have taken effect as on and from 28 March 2006.

Acceleration of wear and tear allowances for certain energy-efficient equipment

38. (1) The Principal Act is amended in the Table in Schedule 4A by inserting the following in column (2) opposite the reference in column (1) to "Electric and Alternative Fuel Vehicles":

"*Natural Gas Vehicles and Associated Equipment*: Natural gas vehicles and relevant required fuelling equipment that meet specified efficiency criteria.

Natural Gas Vehicle Conversions: Equipment for the conversion to natural gas or biogas as a primary fuel for existing commercial vehicles, that meet specified efficiency criteria.".

(2) *Subsection (1)* shall come into operation on 1 January 2014.

Amendment of section 23A of Principal Act (company residence)

39. (1) Section 23A of the Principal Act is amended by inserting the following subsection after subsection (4):

"(5) Notwithstanding subsection (3)—

(a) where a company—

(i) is incorporated in the State and, by virtue of the law of a relevant territory other than the State, would be resident in that relevant territory for the purposes of tax if it were incorporated in that relevant territory but would not otherwise be resident for tax purposes in that relevant territory, and

(ii) is managed and controlled in that relevant territory and, by virtue of the law of the State, would be resident for the purposes of tax in the State if it were so managed and controlled in the State but would not otherwise be resident for tax purposes in the State,

and

(b) accordingly, the company would not, apart from this subsection, be regarded, by virtue of the law of any territory, as resident in that territory for the purposes of tax,

that company shall be regarded for the purposes of the Tax Acts and

the Capital Gains Tax Acts as resident in the State.".

(2) This section has effect from—

(a) 24 October 2013, as respects a company incorporated on or after that date, and

(b) 1 January 2015, as respects a company incorporated before 24 October 2013.

Attribution of relevant profits for additional credit

40. (1) Schedule 24 to the Principal Act is amended in paragraph 9I—

(a) in subparagraph (1), in the definition of "tax", by deleting ", for the purposes of the definition of 'excluded dividend' in this subparagraph,",

(b) in subparagraph (4)(b) by substituting "subject to corporation tax at the rate specified in section 21A(3)(a)" for "chargeable to corporation tax under Case III of Schedule D", and

(c) by inserting the following subparagraph after subparagraph (4):

"(4A) (a) Where the relevant profits in relation to the relevant dividend referred to in clause (a) or (b) of subparagraph (4) have not been subject to tax, which corresponds to corporation tax in the State, but are attributable to profits of a company which have been subject to such tax, then, for the purposes of subparagraph (4), the rate per cent of tax, which is referred to in clause (a) or (b) of that subparagraph as applicable to the relevant profits in relation to the relevant dividend, shall be deemed to be the rate per cent of tax, which corresponds to corporation tax in the State, applicable to those profits of that company which have been subject to such tax.

(b) For the purposes of clause (a) and subparagraphs (3) and (4)—

(i) each part, if any, of a relevant dividend mentioned in clause (a) or (b) of subparagraph (4), being—

(I) an amount (referred to in this subclause as the 'directly taxed amount'), which is so much of the relevant dividend as does not exceed the relevant profits in relation to the relevant dividend which have been subject to tax, which corresponds to corporation tax in the State, or

(II) so much of the excess of the relevant profits in relation to the relevant dividend over the directly taxed amount as is attributable to profits of a company which have been subject to tax, which corresponds to corporation tax in the State,

shall be treated as a separate relevant dividend, and

(ii) the aggregate value of the parts of the relevant dividend so treated under subclause (i) shall not exceed the value of that relevant dividend.

(c) For the purposes of this subparagraph—

(i) profits of a company are attributable to the profits of another company if they have been received directly or indirectly by the payment of dividends or the making of distributions by one or more companies directly or indirectly from the profits of that other company, and

(ii) relevant profits in relation to a relevant dividend shall not be attributable to the same profits of a company more than once.

(d) For the purposes of clause (c)(ii), any profits of a company, other than relevant profits in relation to a relevant dividend, and any profits of any other company to which they are attributable shall be deemed to be the same profits.".

(2) This section shall have effect as respects dividends paid on or after the date of the passing of this Act.

CHAPTER 5

Capital Gains Tax

Amendment of section 29 of Principal Act (persons chargeable)

41. Section 29 of the Principal Act is amended by substituting the following for subsection (5A):

"(5A) (a) This subsection shall apply where an individual referred to in subsection (4) transfers outside the State, to his or her spouse or civil partner, any of the proceeds of the disposal of any assets on which chargeable gains accrue, as referred to in that subsection.

(b) Where this subsection applies, any amounts received or treated, under subsection (5), as received in the State on or after 24 October 2013 which derive from any transfer referred to in paragraph (a) shall be treated, for the purpose of subsection (4), as amounts received in the State by the individual in respect of chargeable gains referred to in subsection (4).".

Amendment of section 552 of Principal Act (acquisition, enhancement and disposal costs)

42. Section 552 of the Principal Act is amended by inserting the following subsection after subsection (1A):

"(1B) (a) In this subsection—

'connected person' has the same meaning as in section 10;

'debt' means a debt or debts, in respect of borrowed money, whether incurred by the person making the disposal of an asset or by a connected person;

'group' and 'member of a group' have the same meanings, respectively, as in section 616.

(b) Where—

(i) the amount or value of the consideration referred to in subsection (1)(a), or

(ii) the amount of any expenditure referred to in subsection (1)(b),

was defrayed either directly or indirectly out of borrowed money, the debt in respect of which is released in whole or in part (whether before, on or after the disposal of the asset), that amount shall be reduced by the lesser of the amount of the debt which is released or the amount of the allowable loss which, but for this subsection, would arise.

(c) For the purposes of paragraph (b), the date on which the whole or part of a debt is released shall be determined on the same basis as the release of the whole or part of a specified debt is treated as having been effected in section 87B(4).

(d) Where a debt is released in whole or in part in a year of assessment after the year of assessment in which the disposal of the asset takes place (such that the release of the debt was not taken into account in the computation of a chargeable gain or allowable loss on the disposal of the asset) then for the purposes of the Capital Gains Tax Acts a chargeable gain, equal to the amount of the reduction that would have been made under paragraph (b) had the release been effected in the year of assessment in which the disposal of the asset took place, shall be deemed to accrue to the person who disposed of the asset on the date on which the debt is released but, where the disposal is to a connected person, any gain under this subsection shall be treated for the purposes of section 549(3) as if it accrued on the disposal of an asset to that connected person.

(e) A chargeable gain under paragraph (d) shall not be deemed to accrue where, had a gain accrued on the disposal of the asset, it would not have been a chargeable gain or it would have qualified for relief from capital gains tax.

(f) Where a debt released is in respect of money borrowed by a member of a group of companies from another member of the group, the amount or value of the consideration referred to in subsection (1)(a), or the amount of any expenditure referred to in subsection (1)(b), shall not be reduced by the amount of that debt which is released under paragraph (b) or a chargeable gain in respect of the release of that debt shall not be deemed to accrue under paragraph (d).".

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

43. (1) Section 598 of the Principal Act is amended in subsection (1)(a), in the definition of "qualifying assets", by substituting the following for paragraph (v):

"(v) land which has been let by the individual at any time in the period of 15 years ending with the disposal where—

(I) immediately before the time the land was first let in that period of 15 years, the land was owned by the individual and used for the purposes of farming carried on by the individual for a period of not less than 10 years ending at that time, and

(II) the disposal is—

(A) to a child (within the meaning of section 599) of the individual, or

(B) to an individual, other than a child referred to in clause (A), provided the land was let to a person for the purposes of farming during the period of 15 years referred to in subparagraph (I) and each letting of the land was for a period of not less than 5 consecutive years;".

(2) This section applies to disposals made on or after 1 January 2014.

Amendment of section 604A of Principal Act (relief for certain disposals of land or buildings)

44. Section 604A of the Principal Act is amended in subsection (2) by substituting "31 December 2014" for "31 December 2013".

Entrepreneur relief

45. (1) The Principal Act is amended by inserting the following section after section 597:

"Entrepreneur relief

597A. (1) In this section—

'chargeable business asset' means an asset, including goodwill but not including shares (other than shares mentioned in paragraph (b)), securities or other assets held as investments, acquired at a cost of not less than €10,000 on or after 1 January 2014 but on or before 31 December 2018 and which—

(a) is, or is an interest in, an asset used wholly for the purposes of a new business carried on by an individual, or

(b) is a holding of new ordinary shares, issued on or after 1 January 2014, in a qualifying company, of which the individual has control (within the meaning of section 10) and in which the individual is a full-time working director, carrying on new business,

other than an asset on the disposal of which no gain accruing would be a chargeable gain;

'full-time working director', in relation to a qualifying company, means a director required to devote substantially the whole of his or her time to the service of the company in a managerial or technical capacity;

'new business' means relevant trading activities carried on by an individual or by a qualifying company that were not previously carried on by that individual or qualifying company or by any person connected (within the meaning of section 10) with that individual or qualifying company;

'qualifying company' means a company which is a micro, small or medium-sized enterprise, as defined in Article 2 of the Annex to the Commission Recommendation of 6 May 2003[1];

'relevant trading activities' has the same meaning as in section 488 and includes farming (within the meaning of section 655).

(2) An individual who, on or after 1 January 2010, has made a disposal of an asset on which capital gains tax has been paid and who, on or after 1 January 2014 but on or before 31 December 2018, applies an amount equal to all or part of the consideration (after deducting any capital gains tax paid), in acquiring chargeable business assets, shall be entitled to a tax credit against any capital gains tax liability arising on a subsequent disposal of or of an interest in those chargeable business assets made more than 3 years after they were acquired, in an amount equal to the lower of—

(a) that part of the capital gains tax paid on the disposal of the asset in the proportion that the amount so applied bears to the consideration (after deducting any capital gains tax paid), and

(b) 50 per cent of the capital gains tax payable on the disposal of the chargeable business asset.

(3) Where on a subsequent disposal of the chargeable business assets referred to in subsection (2) an amount equal to all or part of the consideration (after deducting any capital gains tax paid) on that disposal is, in turn, applied on or after 1 January 2014 but on or before 31 December 2018, in acquiring other chargeable business assets (in this subsection referred to as 'the new chargeable business assets') used wholly in a further new business, the individual shall similarly be entitled to a tax credit against any capital gains tax liability arising on a subsequent disposal of or of an interest in those new chargeable business assets made more than 3 years after they were acquired, in an amount equal to the lower of—

1 OJ No. L124, 20.5.2003, p.36

(a) that part of the capital gains tax paid on the disposal of the chargeable business assets in the proportion that the amount so applied bears to the consideration (after deducting any capital gains tax paid), and

(b) 50 per cent of the capital gains tax payable on the disposal of the new chargeable business asset.".

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

PART 2

Excise

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

46. Chapter 1 of Part 2 of the Finance Act 1999 is amended—

(a) in section 99A—

(i) in subsection (1) by inserting the following definition:

" 'purchase in bulk' means the purchase of gas oil by a qualifying road transport operator, where that gas oil is delivered, in a quantity exceeding 2000 litres or such other quantity as the Commissioners may prescribe, to a premises or place that is under the control of a qualifying road transport operator;",

and

(ii) by inserting the following subsection after subsection (4):

"(4A) (a) Except where paragraph (c) applies, a repayment under subsection (2) shall only be made in respect of gas oil purchased, by the qualifying road transport operator concerned, by means of a fuel card approved by the Commissioners for that purpose (referred to in this subsection as an 'approved fuel card').

(b) Repayment under subsection (2) may, in the case of purchases by means of an approved fuel card, be subject to a minimum quantity of gas oil, prescribed by the Commissioners, for each such purchase.

(c) A repayment under subsection (2) may, subject to paragraph (d) and to such requirements as the Commissioners may prescribe or otherwise impose, be made in respect of gas oil that is purchased in bulk by a qualifying road transport operator.

(d) For the purposes of paragraph (c)—

(i) except where subparagraph (ii) applies, the gas oil shall be

purchased in bulk from a person who holds an auto-fuel trader's licence under section 101(1),

(ii) where the gas oil is purchased in bulk from a vendor in another Member State, it shall be delivered to the qualifying road transport operator in accordance with all the requirements of excise law.",

(b) in section 101(8)—

(i) in paragraph (b) by deleting "or",

(ii) in paragraph (c) by substituting "imposed by the Commissioners, or" for "imposed by the Commissioners.", and

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

"(d) where there has been a contravention of, or a failure to comply with, a requirement of excise law in relation to the production, sale or dealing in, keeping or delivery of mineral oil—

(i) by the applicant, or

(ii) at the premises or place in respect of which the application has been made,

and the applicant has not shown to the satisfaction of the Commissioners that the contravention or failure has been remedied, or

(e) where there has been a contravention of, or a failure to comply with, a condition of an auto-fuel trader's licence or a marked fuel trader's licence that was previously granted—

(i) to the applicant, or

(ii) in respect of the premises or place in respect of which the application has been made,

and the applicant has not shown to the satisfaction of the Commissioners that the contravention or failure has been remedied.",

(c) in section 102(9) by substituting "under subsection (1), (1A), (1B) or (3)" for "under subsection (3)", and

(d) in section 102A(8)(a) by substituting "section 102(1)(g)" for "section 102(1)(da)".

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

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

(a) in section 96(1)—

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

" 'excise law' means the statutes that relate to the duties of excise or the management of those duties, and the instruments made under statute that relate to those duties or the management of those duties;",

(ii) in the definition of "tobacco products" by substituting "paragraph (b) of section 97(1)" for "paragraph (c) of section 97(1)", and

(iii) by inserting the following definition:

" 'standard rate'—

(a) in relation to any mineral oil has the meaning assigned to it by section 97(2) of the Finance Act 1999, and

(b) in relation to any other excisable product means the rate of excise duty chargeable on that product without the benefit of any relief;",

(b) in section 99—

(i) by inserting the following subsection after subsection (10):

"(10A) Where any person—

(a) makes a supply or delivery of excisable products on which excise duty has been relieved, rebated, repaid, or charged at a rate lower than the appropriate standard rate, subject to a requirement that the excisable products are used for a specific purpose or in a specific manner, and

(b) knew that, or was reckless as to whether or not, he or she in making that supply or delivery was participating in a transaction or series of transactions connected to the fraudulent evasion of excise duty,

then that person is liable for payment of the excise duty on the excisable products concerned at the rate appropriate to them, without the benefit of any such relief, rebate, repayment or lower rate.",

and

(ii) in subsection (11) by substituting "subsections (1) to (10A)" for "subsections (1) to (10)",

(c) in section 99B(3) by substituting "a return or to make a declaration" for "a return",

(d) in section 104(4) by substituting the following for paragraph (aa):

"(aa) An order under paragraph (a) may, in addition to the circumstances outlined in that paragraph, be made where allowed for under paragraph (3) (inserted by Council Directive 2010/12/EU of 16 February 2010[2] and amended by Decision of the Council of the European Union of 5 December 2011[3] on the admission of the

2 OJ No. L059, 27.2.2010, p.1
3 OJ No. L112, 24.4.2012, p.6

Republic of Croatia to the European Union) of Article 46 of the Directive.",

(e) in section 108A(2) by deleting paragraph (a), and

(f) in section 109(1) by deleting the definition of "excise law".

Amendment of Chapter 3 of Part 2 of Finance Act 2001 (offences, penalties and proceedings)

48. Chapter 3 of Part 2 of the Finance Act 2001 is amended by inserting the following section after section 125:

"Forfeiture of alcohol products on unlicensed premises

125A. (1)Where—

(a) any person who is required to hold a licence relating to the wholesale or retail sale of any alcohol products, in or on a premises or place, does not hold such a licence, and

(b) in respect of the granting of such a licence, a tax clearance certificate issued under section 1094 of the Taxes Consolidation Act 1997 is required,

and either—

(i) an application for such a licence has been refused, solely or partly on the grounds that the applicant does not hold such a tax clearance certificate, or

(ii) no application for such a licence has been made and the person or—

(I) any partnership referred to in subsection (2)(a) of that section,

(II) any partner referred to in subsection (2)(b) of that section, or

(III) any person referred to in subsection (2)(c) of that section,

has not complied with the obligations referred to in the said subsection (2),

then, subject to subsections (2) and (3), any alcohol products held for wholesale or retail sale in or on that premises or place shall be liable to forfeiture.

(2) Where subsection (1)(b) applies, the Commissioners shall notify the person concerned in writing of the requirement for a licence and for a tax clearance certificate in connection with that licence.

(3) The alcohol products concerned are liable to forfeiture under subsection (1) on the expiry of a period of 20 days from the date on which—

(a) where subsection (1)(a) applies, a communication of refusal of a

tax clearance certificate under section 1094(6) of the Taxes Consolidation Act 1997, or

(b) where subsection (1)(b) applies, a notice under subsection (2),

has been sent.".

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

49. Chapter 4 of Part 2 of the Finance Act 2001 is amended by substituting the following for section 138:

"Powers of officers in respect of certain tobacco products

138. (1) Where an officer or a member of the Garda Síochána has reasonable grounds for believing that a person is committing or has committed an offence under section 78 of the Finance Act 2005, then the officer or member may—

(a) require the person to give to that officer or member—

(i) the name, address and date of birth of that person,

(ii) all such information in relation to the tobacco products concerned as may reasonably be required by that officer or member and which is in the possession or procurement of that person, and

(iii) any tobacco products concerned for examination,

(b) examine any tobacco products concerned,

(c) where the officer or member has reasonable grounds to believe that any tobacco products concerned are contained in any receptacle, carry out such search and examination of that receptacle as may be required to establish that such an offence is being, or has been, committed in respect of those tobacco products,

(d) require any person who has possession, custody or control of a receptacle referred to in paragraph (c)—

(i) to give the receptacle to the officer or member, and

(ii) to provide access to the receptacle, as may be required by the officer or member for the purposes of that paragraph,

and

(e) detain the person for as long as is reasonably required for the purposes of this section.

(2) For the purposes of paragraphs (c) and (d) of subsection (1), a receptacle does not include any article of clothing on the person concerned.".

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

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

(a) in section 144A—

(i) in subsection (2)(f)(ii) by substituting "section 133(2)" for "section 133(1)", and

(ii) by inserting the following after subsection (3):

"(4) (a) Any power, function or duty that may be exercised or performed by an officer under subsection (1) or (2) may be exercised or performed by an officer who is a bureau officer.

(b) In this subsection 'bureau officer' means an officer appointed as a bureau officer under section 8(1)(a)(ii) of the Criminal Assets Bureau Act 1996.",

(b) in section 145—

(i) by deleting subsections (1), (1A) and (2), and

(ii) by substituting the following for subsections (3) to (5):

"(3) Any person who is the subject of a decision of the Commissioners in relation to any of the following matters may appeal to the Commissioners against that decision:

(a) the registration of a vehicle, or the amendment of an entry in the register referred to in section 131 of the Finance Act 1992;

(b) the determination of the open market selling price of a vehicle under section 133(2) of the Finance Act 1992;

(c) the granting, refusal or revocation by the Commissioners of an authorisation under section 136 of the Finance Act 1992, or the arrangements for payment of vehicle registration tax under that section.

(4) An appeal under this section shall be made in writing and shall set out in detail the grounds of the appeal.

(5) An appeal under this section shall be lodged by the person concerned with the Commissioners within 2 months from the date of the notification by the Commissioners of the decision concerned, or within such longer period as they may, in exceptional cases, allow.",

and

(c) in section 146 by substituting the following for subsections (1) and (2):

"(1) Except where section 145(3) applies, any person who—

(a) has paid an amount of excise duty,

(b) has received a notice of assessment under section 99A, or is

otherwise called upon by the Commissioners to pay an amount of excise duty that, in their opinion, that person is liable to pay, or

(c) has received a repayment of excise duty or has made a claim for such repayment that has been refused,

may, in respect of the liability to excise duty concerned or the amount of that liability, or the amount of the repayment or the refusal to repay, appeal to the Appeal Commissioners against the decision concerned.

(1A) Any person aggrieved by any of the following matters may appeal the matter to the Appeal Commissioners:

(a) a determination of the Commissioners under section 145;

(b) a refusal to authorise a person as an authorised warehousekeeper, or to approve a premises as a tax warehouse, under section 109, or a revocation under that section of any such authorisation or approval;

(c) a refusal to register a person as a registered consignee under section 109J(3) or a revocation under section 109J(4) of any such registration;

(d) a refusal to authorise a person as a registered consignor under section 109A or a revocation under that section of any such authorisation;

(e) a refusal to approve a person as a tax representative under section 109U(2) or a revocation under that section of any such approval;

(f) a refusal to grant a licence under section 101 of the Finance Act 1999 or a revocation under that section of any such licence that has been granted.

(2) A person who intends to appeal under this section shall notify the Commissioners in writing of that intention within 30 days of—

(a) the payment of excise duty in the case of an appeal under subsection (1)(a),

(b) the notice of assessment or other notification by the Commissioners calling for payment of the amount concerned in the case of an appeal under subsection (1)(b),

(c) the date of the repayment or of the notification by the Commissioners of the refusal to repay in the case of an appeal under subsection (1)(c), or

(d) the notification by the Commissioners of the determination, refusal or revocation concerned in the case of an appeal under subsection (1A).".

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

51. (1) Chapter 3 of Part 3 of the Finance Act 2010 is amended—

(a) in section 77—

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

" 'briquettes' means milled peat which has been mechanically compressed into blocks for use as fuel;",

(ii) by substituting the following for the definition of "coal":

" 'coal' means—

(a) except where paragraph (b) applies, any fuel in solid form manufactured from coal falling within CN Code 2701 or from lignite falling within CN Code 2702,

(b) any energy product within the meaning of Article 2.1 of the Directive, in solid form, for use as a fuel;",

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

" 'peat' means peat falling within CN Code 2703 and includes any fuel in solid form manufactured from peat or manufactured from a combination of peat and any product other than coal falling within CN Code 2701 or lignite falling within CN Code 2702;",

(iv) by substituting the following for the definition of "supplier":

" 'supplier' means—

(a) except where paragraph (b) applies, a taxable person within the meaning of section 2 of the Value-Added Tax Consolidation Act 2010,

(b) an accountable person for the purposes of Part 2 of the Value-Added Tax Consolidation Act 2010,

who supplies solid fuel;",

(v) by substituting the following for the definition of "supply":

" 'supply' means—

(a) except where paragraph (b) applies, the supply of a quantity of solid fuel to another person,

(b) the supply of a quantity of solid fuel by a supplier for combustion by that supplier;",

and

(vi) by inserting the following definitions:

" 'biomass' means the biodegradable fraction of products, waste and residues from agriculture (including vegetal and animal substances),

forestry and related industries, as well as the biodegradable fraction of industrial and municipal waste;

'biomass content' in relation to a solid fuel product means the percentage of the weight of that product that is accounted for by biomass;

'biomass product' means any solid fuel product with a biomass content of 30 per cent or more;

'first supplied' means the first time a supply is made within the State by a supplier;",

(b) in section 78 by deleting subsection (2), and

(c) by inserting the following section after section 82:

"Relief for biomass content of solid fuel

82A. (1) Where the Minister for the Environment, Community and Local Government makes regulations under section 53 of the Air Pollution Act 1987 to provide for—

(a) the identification of biomass products supplied by a supplier,

(b) the marking to be applied to the packaging of biomass products for the purposes of such identification, and

(c) the records to be kept by suppliers relating to the biomass products received, produced, held, delivered and supplied by them,

then, subject to such conditions as the Commissioners may prescribe or otherwise impose, a partial relief from tax (referred to in this section as 'the relief') shall be granted on any biomass product that is shown to the satisfaction of the Commissioners to have been first supplied by a supplier in accordance with the regulations.

(2) The relief on the supply of a quantity of biomass product shall be calculated as follows:

(a) 30 per cent of the tax chargeable where the biomass content of that product is less than 50 per cent;

(b) 50 per cent of the tax chargeable where the biomass content of that product is 50 per cent or more.

(3) (a) The relief shall, except where paragraph (b) applies, be applied by way of remission, and the supplier shall account for and pay the tax on the biomass product concerned at the rate specified in Schedule 1 less the amount of the relief.

(b) Where any biomass product has been first supplied by a supplier without application of the relief in accordance with paragraph (a), the Commissioners shall, subject to such conditions as they may impose in any particular case, apply the relief to that supply by way of repayment.

(c) Except where the Commissioners may in any particular case allow, a repayment claim shall be made within 4 months following the date on which the tax was paid on the biomass products concerned.".

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

Rates of tobacco products tax

52. The Finance Act 2005 is amended with effect as on and from 16 October 2013 by substituting the following for Schedule 2 to that Act (as amended by section 49 of the Finance Act 2013):

"SCHEDULE 2

RATES OF TOBACCO PRODUCTS TAX

(With effect as on and from 16 October 2013)

Description of Product	Rate of Tax
Cigarettes	Rate of tax at— (a) except where paragraph (b) applies, €241.83 per thousand together with an amount equal to 8.72 per cent of the price at which the cigarettes are sold by retail, or (b) €275.62 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 €279.345 per kilogram.
Fine-cut tobacco for the rolling of cigarettes	Rate of tax at €252.222 per kilogram.
Other smoking tobacco	Rate of tax at €193.799 per kilogram.

".

Rates of alcohol products tax

53. The Finance Act 2003 is amended with effect as on and from 16 October 2013 by substituting the following for Schedule 2 to that Act:

"SCHEDULE 2

Rates of Alcohol Products Tax

(With effect as on and from 16 October 2013)

Description of Product	Rate of Tax
Spirits:	€42.57 per litre of alcohol in the spirits
Beer:	
Exceeding 0.5% vol but not exceeding 1.2% vol	€0.00
Exceeding 1.2% vol but not exceeding 2.8% vol	€11.27 per hectolitre per cent of alcohol in the beer
Exceeding 2.8% vol	€22.55 per hectolitre per cent of alcohol in the beer
Wine:	
Still and sparkling, not exceeding 5.5% vol	€141.57 per hectolitre
Still, exceeding 5.5% vol but not exceeding 15% vol	€424.84 per hectolitre
Still, exceeding 15% vol	€616.45 per hectolitre
Sparkling, exceeding 5.5% vol	€849.68 per hectolitre
Other Fermented Beverages:	
(1) Cider and Perry:	
Still and sparkling, not exceeding 2.8% vol	€47.23 per hectolitre
Still and sparkling, exceeding 2.8% vol but not exceeding 6.0% vol	€94.46 per hectolitre
Still and sparkling, exceeding 6.0% vol but not exceeding 8.5% vol	€218.44 per hectolitre
Still, exceeding 8.5% vol	€309.84 per hectolitre
Sparkling, exceeding 8.5% vol	€619.70 per hectolitre
(2) Other than Cider and Perry:	
Still and sparkling, not exceeding 5.5% vol	€141.57 per hectolitre
Still, exceeding 5.5% vol	€424.84 per hectolitre
Sparkling, exceeding 5.5% vol	€849.68 per hectolitre
Intermediate Beverages:	
Still, not exceeding 15% vol	€424.84 per hectolitre
Still, exceeding 15% vol	€616.45 per hectolitre
Sparkling	€849.68 per hectolitre

".

Amendment of Chapter 1 of Part 2 of Finance Act 2002 (consolidation and modernisation of betting duties law)

54. (1) Chapter 1 (as amended by section 49 of the Finance Act 2011) of Part 2 of the Finance Act 2002 is amended—

(a) in section 64—

(i) by substituting the following for the definition of "remote betting intermediary":

" 'remote betting intermediary' means a person (in this definition referred to as 'the first-mentioned person') who, in the course of business, provides facilities, in accordance with a licence for such activity duly granted under any Act, that enable persons to make bets with other persons (other than the first-mentioned person) by remote means;",

(ii) by substituting the following for the definition of "remote bookmaker":

" 'remote bookmaker' means a person who carries on the business of a bookmaker by remote means in accordance with a licence for such bookmaking duly granted under any Act;",

and

(iii) by substituting the following for the definition of "remote means":

" 'remote means' means, in relation to a communication, any electronic means, and includes—

(a) the internet,

(b) telephone, and

(c) telegraphy (whether or not wireless telegraphy);",

(b) in section 66A—

(i) in subsection (1)(a) by substituting "€10,000" for "€5,000",

(ii) in subsection (4)—

(I) in paragraph (a) by substituting "31 May" for "31 October" in each place, and

(II) in paragraph (b) by substituting "30 April" for "30 September",

and

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

"Table

Level of annual turnover	Rates of duty
(1)	(2)
Under €50 million	€10,000

€50 million but less than €75 million	€20,000
€75 million but less than €100 million	€30,000
€100 million but less than €150 million	€40,000
€150 million but less than €200 million	€60,000
€200 million but less than €300 million	€80,000
€300 million but less than €400 million	€120,000
€400 million but less than €500 million	€160,000
€500 million or more	€200,000

”,

and

(c) in section 66B—

(i) in subsection (1)(a) by substituting “€10,000” for “€5,000”,

(ii) in subsection (4)—

(I) in paragraph (a) by substituting “31 May” for “31 October” in each place, and

(II) in paragraph (b) by substituting “30 April” for “30 September”,

and

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

“Table

Level of annual commission earnings	Rates of duty
(1)	(2)
Under €3 million	€10,000
€3 million but less than €4,500,000	€20,000
€4,500,000 but less than €6 million	€30,000
€6 million but less than €9 million	€40,000
€9 million but less than €12 million	€60,000
€12 million but less than €18 million	€80,000
€18 million but less than €24 million	€120,000
€24 million but less than €30 million	€160,000
€30 million or more	€200,000

”.

(2) Chapter 1 of Part 2 of the Finance Act 2002 is amended—

(a) in section 65 by substituting “€500” for “€250”,

(b) in section 66—

(i) in subsection (1) by substituting "€760" for "€380",

(ii) in subsection (3)—

(I) by substituting "€760" for "€380", and

(II) by substituting "period of 24 months" for "year" in each place,

and

(iii) by substituting the following for subsection (4):

"(4) In this section, 'period of 24 months' means a period of 24 months beginning on any 1st day of December.",

and

(c) by inserting the following sections after section 66:

"Payment arrangements for excise duty payable under section 65, 66A or 66B

66C. (1) The excise duty payable under section 65, 66A or 66B, as the case may be, shall, at the option of the person by whom it is so payable, be paid—

(a) in full at the time of the granting or renewal of the licence, or

(b) subject to subsection (2), in two equal instalments as follows:

(i) the first instalment at the time of the granting or renewal of the licence, and

(ii) the second instalment—

(I) in the case of excise duty payable under section 65, on or before 30 November next following the granting or renewal of the licence concerned,

(II) in the case of the excise duty payable under section 66A or 66B, as the case may be, on or before 30 June next following the granting or renewal of the licence concerned.

(2) Where the period between the date of granting the licence concerned and the date on which it falls due for renewal is one year or less, the excise duty payable under section 65, 66A or 66B, as the case may be, shall be paid in full at the time of the granting of the licence.

Payment arrangements for excise duty payable under section 66

66D. (1) The excise duty payable under section 66 on the registration or renewal of the registration of a premises shall, at the option of the person referred to under section 66(2), be paid—

(a) in full at the time of the registration or renewal of the registration, or

(b) subject to subsection (2), in two equal instalments as follows:

(i) the first instalment at the time of the registration or renewal of the registration, and

(ii) the second instalment on or before 30 November next following the registration or renewal of registration.

(2) Where the period between the date of registration of the premises concerned and the date on which it falls due for renewal is one year or less, the excise duty payable under section 66 shall be paid in full at the time of the registration.".

(3) *Subsection (2)* comes into operation on such day or days as the Minister for Finance may appoint by order, and different days may be so appointed for different provisions or for different purposes.

Amendment of section 135C of Finance Act 1992 (remission or repayment in respect of vehicle registration tax, etc.)

55. (1) Section 135C of the Finance Act 1992 is amended—

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

"(a) Where a person first registers a category A vehicle or a category B vehicle during the period from 1 January 2011 to 31 December 2014 and the Commissioners are satisfied that the vehicle is a series production hybrid electric vehicle then the Commissioners shall remit or repay to that person an amount equal to the lesser of—

(i) the vehicle registration tax which, apart from this subsection, would be payable in respect of the vehicle in accordance with paragraph (a) or (c) of section 132(3), or

(ii) the amount specified in the Table to this subsection which is referable to the vehicle having regard to its age.",

and

(b) in subsections (2), (3) and (4) by substituting "31 December 2014" for "31 December 2013" in each place.

(2) *Subsection (1)* comes into operation on 1 January 2014.

Amendment of section 139 of Finance Act 1992 (offences and penalties)

56. Section 139 of the Finance Act 1992 is amended—

(a) in subsection (5)—

(i) in paragraph (a) by substituting "12 months" for "6 months", and

(ii) in paragraph (b) by substituting "€126,970" for "€12,695",

and

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

"(7) Section 13 of the Criminal Procedure Act 1967 shall apply in relation to an offence under this section as if, in place of the penalties specified in subsection (3) of that section, there were specified in that subsection the penalties provided for by subsection (5)(a) of this section, and the reference in subsection (2)(a) of section 13 of the Criminal Procedure Act 1967 to the penalties provided for in subsection (3) of that section shall be construed and apply accordingly.".

PART 3

Value-Added Tax

Interpretation (*Part 3*)

57. In this Part "Principal Act" means the Value-Added Tax Consolidation Act 2010.

Amendment of section 46 of Principal Act (rates of tax)

58. Section 46 of the Principal Act is amended with effect from 1 January 2014 in subsection (1)(ca) by deleting "during the period 1 July 2011 to 31 December 2013,".

Amendment of section 59 of Principal Act (deduction for tax borne or paid)

59. Section 59 of the Principal Act is amended—

(a) in subsection (2) by deleting paragraph (m), and

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

"(2A) In computing the amount of tax payable by an accountable person in respect of a taxable period, that person may deduct the tax charged to him or her during the period by other accountable persons in respect of services directly related to the transfer of ownership of goods that would, but for the operation of section 20(2)(c), be subject to tax.".

Adjustment of tax deductible in relation to unpaid consideration

60. (1) Part 8 of the Principal Act is amended in Chapter 1 by inserting the following section after section 62:

"62A. (1) Subject to subsection (4), where—

(a) an accountable person has, during a taxable period (referred to in this section as the 'initial period'), deducted tax in accordance with subsection (2) or (2A) of section 59, and

(b) the consideration, or part thereof, due to the supplier of the goods

or services has not been paid by that accountable person on or before the last day of the third taxable period following the initial period,

that accountable person shall reduce the amount of tax deductible by him or her in accordance with subsection (2).

(2) Where subsection (1) applies, the accountable person shall reduce the amount of tax deductible by him or her, in the third taxable period following the initial period, by an amount calculated in accordance with the following formula, subject to any apportionment arising in accordance with section 61:

(A-B) x C

where—

A is the total consideration (exclusive of value-added tax),

B is the consideration or part thereof (exclusive of value-added tax) that has been paid, and

C is the percentage rate of tax chargeable in relation to the supply of the goods or services.

(3) Where an accountable person has reduced the amount of tax deductible in a taxable period in accordance with subsection (2) and subsequently that accountable person pays the consideration, or part thereof, due to the supplier of the goods or services, that accountable person shall, in the taxable period in which that consideration, or part thereof, was paid, increase the amount of the tax deductible by him or her, by an amount calculated in accordance with the following formula, subject to any apportionment arising in accordance with section 61:

D x C

where—

D is the consideration or part thereof (exclusive of value-added tax) paid during that period, and

C is the percentage rate of tax chargeable in relation to the supply of the goods or services.

(4) Where, on or before the due date for submission of the return required under section 76 or 77 relating to the third taxable period after the initial period, an accountable person satisfies the Revenue Commissioners that there are reasonable grounds for not having paid the full consideration, or part thereof, to the supplier on or before the date referred to in subsection (1)(b), this section shall not apply.

(5) The Revenue Commissioners may make regulations in relation to the operation of this section.”.

(2) This section has effect in relation to initial periods (within the meaning of section 62A (inserted by *subsection (1)*) of the Principal Act) beginning on or after 1 January 2014.

Amendment of section 120 of Principal Act (regulations)

61. Section 120 of the Principal Act is amended in subsection (8)—

(a) in paragraph (g) by substituting "review;" for "review." in subparagraph (iv), and

(b) by inserting the following paragraph after paragraph (g):

"(h) in relation to section 62A—

(i) the manner in which an adjustment is calculated, and

(ii) the circumstances in which an adjustment may not be required.".

Amendment of section 64 of Principal Act (capital goods scheme)

62. Section 64 of the Principal Act is amended in subsection (12A)—

(a) in paragraph (a) by substituting the following for the definition of "start date":

" 'start date' means—

(i) where subparagraph (i) or (ii) of paragraph (b) applies, the date on which either the mortgagee takes possession or the receiver is appointed, or

(ii) where subparagraph (i) or (ii) of paragraph (ba) applies, 1 May 2014.",

(b) in paragraph (b) by inserting ", on or after 27 March 2013," after "charge or lien and",

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

"(ba) Where a capital good is held as security or is subject to a charge or lien and, before 27 March 2013, either—

(i) a mortgagee took possession, or

(ii) a receiver was appointed by or on the application of a mortgagee or under section 147 of the National Asset Management Agency Act 2009 or by any other means,

then the defaulter shall, within 60 days after the date of the passing of the *Finance (No. 2) Act 2013* furnish a copy of the capital goods record to that mortgagee or that receiver and on and from the start date, but subject to the subsequent provisions of this subsection, that mortgagee or that receiver shall be treated for the purposes of this Chapter as if that mortgagee or that receiver were the capital goods owner.",

and

(d) in paragraph (c)—

(i) by inserting "or (ba)" after "Where paragraph (b)",

(ii) by inserting "or (ba), as appropriate" after "with paragraph (b)", and

(iii) by inserting "or deductible" after "payable".

Amendment of section 80 of Principal Act (tax due on moneys received basis)

63. Section 80 of the Principal Act is amended in subsection (1)(b) with effect from 1 May 2014 by substituting "€2,000,000" for "€1,250,000".

Amendment of section 86 of Principal Act (special provisions for tax invoiced by flat-rate farmers)

64. Section 86 of the Principal Act is amended in subsection (1) with effect from 1 January 2014 by substituting "5 per cent" for "4.8 per cent".

Notice of requirement to furnish certain information, etc.

65. Part 13 of the Principal Act is amended—

(a) in Chapter 1 by inserting the following section after section 108:

"Notice of requirement to furnish certain information, etc.

108A.(1) The Revenue Commissioners may, for the purposes of the prevention and detection of tax evasion, serve a notice in writing on an accountable person whom the Commissioners have reasonable grounds for believing is likely to have further information, explanations or particulars in respect of any books, records (within the meaning of section 108), accounts or other documents relating to his or her supplies of goods made to his or her customers which may assist in identifying taxable supplies in respect of which tax chargeable will not be, or is not likely to be, paid requiring the accountable person to furnish to the Commissioners any such information, explanations or particulars as they may reasonably require and which they consider may so assist.

(2) A notice served under subsection (1) shall—

(a) specify—

(i) the date from which the notice shall have effect, being a date not earlier than 7 days from the date of service of the notice,

(ii) the information, explanations or particulars, referred to in subsection (1), required to be furnished to the Revenue Commissioners,

(iii) the period for which the notice shall have effect, being a period

not more than 2 months from the date specified under subparagraph (i),

(iv) the period within which the accountable person shall furnish the specified information, explanations or particulars to the Commissioners, being a period not less than 14 days from the end of the period specified under subparagraph (iii), and

(v) the form in which the specified information, explanations or particulars shall be furnished to the Commissioners,

and

(b) inform the accountable person of the consequences under section 115(8A) of failing to comply with the notice.",

and

(b) in Chapter 3, by inserting the following subsection after subsection (8) of section 115—

"(8A) A person who fails to furnish to the Revenue Commissioners the information, explanations or particulars specified in a notice served on the person under subsection (1) of section 108A within the period specified in the notice shall be liable to a penalty of €4,000.".

Tax treatment of horses and greyhounds

66. (1) The Principal Act is amended—

(a) in section 2(1) by substituting the following for the definition of "livestock":

" 'livestock' means live—

(a) cattle, sheep, goats, pigs and deer, and

(b) horses normally intended for use in the preparation of foodstuffs or in agricultural production;",

(b) in section 46(1)—

(i) in paragraph (ca) by substituting ", 13(3) and 13B(1) to (3)" for "and 13(3)", and

(ii) in paragraph (d) by deleting "and live greyhounds and to the hire of horses",

and

(c) in Schedule 3—

(i) in paragraph 10 by substituting the following for subparagraph (2):

"(2) Animal insemination services other than the services specified in subparagraphs (4) and (5) of paragraph 13B.",

and

(ii) by inserting the following Part after Part 2A:

"PART 2B

CERTAIN SUPPLIES WITH REDUCED RATE: SPECIAL PROVISIONS IN ACCORDANCE WITH ARTICLE 113 OF THE VAT DIRECTIVE

Horses and greyhounds

13B. (1) The supply of live horses other than horses normally intended for use in—

(a) the preparation of foodstuffs, or

(b) agricultural production.

(2) The hire of horses.

(3) The supply of live greyhounds.

(4) The supply of insemination services for greyhounds.

(5) The supply of insemination services for horses other than horses normally intended for use in—

(a) the preparation of foodstuffs, or

(b) agricultural production.

(6) The supply of horse semen from horses other than horses normally intended for use in—

(a) the preparation of foodstuffs, or

(b) agricultural production.".

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

Amendment of Schedule 1 to Principal Act

67. Schedule 1 to the Principal Act is amended in paragraph 14(2) with effect from 1 January 2014 by inserting "and Irish Water" after "local authorities".

PART 4

STAMP DUTIES

Interpretation (*Part 4*)

68. In this Part "Principal Act" means the Stamp Duties Consolidation Act 1999.

Amendment of section 81AA (transfers to young trained farmers) of and Schedule 2B (qualifications for applying for relief from stamp duty in respect of transfers to young trained farmers) to Principal Act

69. (1) The Principal Act is amended—

(a) in section 81AA(6)(b) by substituting "Qualifications and Quality Assurance Authority of Ireland" for "National Qualifications Authority of Ireland", and

(b) in Schedule 2B—

(i) in paragraph 1 by substituting "Qualifications and Quality Assurance Authority of Ireland" for "Further Education and Training Awards Council",

(ii) in paragraph 2 by substituting "Qualifications and Quality Assurance Authority of Ireland" for "Higher Education and Training Awards Council",

(iii) in paragraph 2 by substituting "Studies;" for "Studies." in subparagraph (o) and by inserting the following after that subparagraph:

"(p) Higher Certificate in Science Applied Agriculture.",

and

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

"(ba) Bachelor of Agricultural Science – Animal Science Equine awarded by University College Dublin;

(bb) Bachelor of Agricultural Science – Dairy Business awarded by University College Dublin;".

(2) (a) *Subsection (1)(a)* has effect in respect of certifications made by Teagasc on or after 6 November 2012.

(b) *Subparagraphs (i)* and *(ii)* of *subsection (1)(b)* have effect in respect of qualifications awarded on or after 6 November 2012.

Enterprise Securities Market

70. (1) The Principal Act is amended by inserting the following section after section 86:

"86A.(1) Stamp duty shall not be chargeable on any conveyance or transfer of stocks or marketable securities admitted to the Enterprise Securities Market operated by the Irish Stock Exchange Limited.

(2) Subsection (1) shall not apply to any conveyance or transfer of stocks or marketable securities where the admission of the stocks or marketable securities to the Enterprise Securities Market has been cancelled by the Irish Stock Exchange Limited.".

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

Amendment of section 125B of Principal Act (levy on pension schemes)

71. Section 125B of the Principal Act is amended—

(a) in subsection (1)—

(i) in paragraphs (a) and (b) of the definition of "chargeable amount" by substituting "2013, 2014 or 2015" for "2013 or 2014" in each place, and

(ii) in the definition of "due date" by substituting "2013, 2014 or 2015" for "2013 or 2014",

(b) in subsection (2) by substituting "2013, 2014 and 2015" for " 2013 and 2014", and

(c) by substituting the following subsection for subsection (3):

"(3) A stamp duty of an amount equal to—

(a) 0.6 per cent of the chargeable amount for each of the years 2011, 2012 and 2013,

(b) 0.75 per cent of the chargeable amount for the year 2014, and

(c) 0.15 per cent of the chargeable amount for the year 2015,

shall be charged on every statement delivered by a chargeable person pursuant to subsection (2).".

Further levy on certain financial institutions

72. The Principal Act is amended by inserting the following section after section 126A:

"126AA. (1) In this section—

'appropriate tax' has the meaning assigned to it by section 256 of the Taxes Consolidation Act 1997;

'assessable amount', in relation to a relevant person, means the relevant retention tax in relation to the person;

'relevant business' means the business of a relevant person of taking and holding relevant deposits (within the meaning of section 256 of the Taxes Consolidation Act 1997) in respect of which the person was obliged to pay any amount under section 258 or 259 of the Taxes Consolidation Act 1997;

'due date' means—

(a) in respect of the year 2014, 20 October 2014,

(b) in respect of the year 2015, 20 October 2015, and

(c) in respect of the year 2016, 20 October 2016;

'relevant person' means—

(a) a person who, in the year 2011, was a holder of a licence granted

under section 9 of the Central Bank Act 1971 or held a licence or other similar authorisation under the law of any other Member State of the European Communities which corresponds to a licence granted under that section, or

(b) a person who, in the year 2011, was a building society within the meaning of the Building Societies Act 1989 or a society established in accordance with the law of any other Member State of the European Communities which corresponds to that Act,

and the person—

(i) was obliged, in the year 2011, to pay—

(I) appropriate tax under section 258(3) of the Taxes Consolidation Act 1997, or

(II) an amount on account of appropriate tax under section 258(4) or 259(4) of that Act,

and

(ii) is carrying on a trade or business in the State (whether including a relevant business or not),

but a person shall not be regarded as a relevant person where the relevant retention tax in relation to the person in the year 2011 did not exceed €100,000;

'relevant retention tax', in relation to a relevant person, 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 year 2011 under section 258(3) of the Taxes Consolidation Act 1997, and

(b) the amount paid by the person in the year 2011 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 year 2011 which, in accordance with section 258 or 259 of that Act, should have been paid by the person in the year 2011, and

C is the aggregate of any amounts of appropriate tax paid by the person in the year 2011 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 year 2011;

'year 2011' means the period of 12 months ending on 31 December 2011.

(2) A relevant person shall for each of the years 2014, 2015 and 2016, not later than the due date in respect of that year, deliver to the Commissioners a statement in writing showing the assessable amount for that person.

(3) Where at any time in a period commencing on 1 January 2011 and ending immediately before a due date—

(a) a relevant person ceased to carry on a relevant business, and

(b) another person (in this section referred to as the 'successor person') acquired the whole, or substantially the whole, of the relevant business,

the relevant person shall not be required to deliver a statement on the due date in accordance with subsection (2) but the successor person shall—

(i) where the successor person is, apart from this subsection, required to deliver a statement on the due date in accordance with subsection (2), increase the assessable amount in that statement by the assessable amount in relation to the relevant person, and

(ii) in any other case, deliver a statement on the due date in accordance with subsection (2) as if the successor person were the relevant person.

(4) Where at any time in a period commencing at the time at which a successor person acquired the whole, or substantially the whole, of a relevant business from the relevant person referred to in subsection (3) such that that subsection applies to the successor person and ending immediately before a due date—

(a) the successor person ceased to carry on the relevant business so acquired, and

(b) another person (in this section referred to as the 'next successor person') acquired the whole, or substantially the whole, of the relevant business,

the successor person shall not be required to deliver a statement on the due date in accordance with subsection (3) but the next successor person shall—

(i) where the next successor person is, apart from this subsection, required to deliver a statement on the due date in accordance with subsection (2), increase the assessable amount in that statement by

the assessable amount in relation to the relevant person, and

(ii) in any other case, deliver a statement on the due date in accordance with subsection (2) as if the next successor person were the relevant person.

(5) Where at any time in a period commencing at the time at which a next successor person acquired the whole, or substantially the whole, of a relevant business such that that person was required—

(a) to increase an assessable amount by an assessable amount in relation to a relevant person, or

(b) to deliver a statement as if the next successor person were a relevant person,

and ending immediately before a due date—

(i) the next successor person ceased to carry on the relevant business so acquired, and

(ii) another person (in this section referred to as the 'further successor person') acquired the whole, or substantially the whole, of the relevant business,

the next successor person shall not be required to deliver a statement on the due date in accordance with subsection (4) but the further successor person shall—

(I) where the further successor person is, apart from this subsection, required to deliver a statement on the due date in accordance with subsection (2), increase the assessable amount in that statement by the assessable amount in relation to the relevant person, and

(II) in any other case, deliver a statement on the due date in accordance with subsection (2) as if the further successor person were the relevant person,

and so on for further successions.

(6) There shall be charged on any statement delivered in accordance with subsection (2) a stamp duty of an amount equal to 35 per cent of the assessable amount.

(7) The stamp duty charged by subsection (6) upon a statement delivered by a relevant person in accordance with subsection (2) shall be paid by that person upon delivery of the statement.

(8) There shall be furnished to the Commissioners by a relevant person such particulars as the Commissioners may require in relation to any statement required by this section to be delivered by the person.

(9) In the case of failure by a relevant person—

(a) to deliver any statement required to be delivered by that person

under subsection (2), or

(b) to pay the stamp duty chargeable on any such statement,

on or before the due date in respect of the year concerned, the person shall, from the due date concerned until the day on which the stamp duty is paid, be liable to pay, in addition to the stamp duty, interest on the stamp duty, calculated in accordance with section 159D and also from 20 October of the year in which the statement is to be delivered in accordance with subsection (2), by way of penalty, a sum of €380 for each day the stamp duty remains unpaid.

(10) The delivery of any statement required by subsection (2) may be enforced by the Commissioners under section 47 of the Succession Duty Act 1853, in all respects as if such statement were such account as is mentioned in that section and the failure to deliver such statement were such default as is mentioned in that section.

(11) The stamp duty, interest on the stamp duty and any penalty due under subsection (9) charged by this section shall not be allowed as a deduction for the purposes of the computation of any tax or duty payable by the relevant person which is under the care and management of the Commissioners.".

PART 5

Miscellaneous

Interpretation (*Part 5*)

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

Chargeable persons: self-assessments

74. Chapter 4 of Part 41A of the Principal Act is amended—

(a) in section 959R(5) (a) by substituting "such indicative tax calculation as may be provided by the electronic system" for "an indicative tax calculation provided by the electronic system",

(b) in section 959S by inserting the following after subsection (3):

"(4) Where the chargeable person is assessed to tax under section 1023 or 1031H, and his or her spouse or civil partner, as the case may be, is also a chargeable person, then, in relation to the return concerned, no self assessment shall be made under subsection (2) until such time as the spouse or civil partner, as the case may be, has delivered his or her return for the year of assessment.",

and

(c) in section 959V—

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

"(2A) A return and self assessment may be amended under this section only where such an amendment—

(a) arises from an allowance, credit, deduction or relief due under the Acts,

(b) is necessary to correct either an error or a mistake, or

(c) is necessary to comply with any other provision of the Acts,

and notice of an amendment under this section shall specify which of paragraphs (a), (b) and (c) applies.",

and

(ii) in subsection (4) by inserting the following after paragraph (b):

"(c) This subsection shall not apply to an amendment to a return or self assessment in so far as it relates to capital gains tax.".

Repayment of tax

75. (1) Section 865 of the Principal Act is amended—

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

"(2A) Where a chargeable person (within the meaning of Part 41A) makes a claim under subsection (2) for repayment of tax which, but for an error or mistake referred to in that subsection, would not have been due it shall not constitute a valid claim for the purposes of subsection (3) unless the return and self assessment for the period to which the claim relates is amended, in accordance with section 959V, to correct the error or mistake.

(2B) Where a chargeable person (within the meaning of section 950) makes a claim under subsection (2) for repayment of tax which, but for an error or mistake referred to in that subsection, would not have been due and the claim relates to an accounting period which commenced before 1 January 2013 or to a year of assessment before the year of assessment 2013 it shall not constitute a valid claim for the purposes of subsection (3) unless the person's return for the accounting period or year of assessment, as the case may be, to which the claim relates is amended in accordance with section 959V to correct the error or mistake, and for this purpose section 959V shall apply to such an amendment as if—

(a) subsections (2) and (4) of that section were deleted,

(b) references in that section to 'return and a self assessment', 'return and the self assessment' and 'return or self assessment' were

references to 'return', and

(c) references in that section to section 959Z were references to section 956.",

(b) by substituting the following subsection for subsection (3):

"(3) A repayment of tax shall not be due under subsection (2) unless a valid claim has been made to the Revenue Commissioners for that purpose.",

(c) in subsection (3A) by substituting "Part 41A" for "section 950" in paragraph (a), and

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

"(9) Nothing in this section shall prevent the Revenue Commissioners from examining a claim subsequent to any repayment having been made and—

(a) making or amending an assessment, as the case may be, under—

(i) Chapter 5 of Part 41A,

(ii) section 954 or 955, as appropriate, where the claim relates to an accounting period which commenced before 1 January 2013 or to a year of assessment before the year of assessment 2013, or

(iii) section 960Q,

or

(b) making a determination under section 960Q, in the case of persons who are not chargeable persons.".

(2) *Subsection (1)(c)* applies—

(a) in the case of a chargeable period (within the meaning of section 321(2) of the Principal Act) which is an accounting period of a company, as respects chargeable periods beginning on or after 1 January 2013, and

(b) in a case other than that referred to in *paragraph (a)*, as respects the year of assessment 2013 and subsequent years of assessment.

(3) *Subsection (1)(c)* does not affect the application of section 865(3A) of the Principal Act, which is amended by *subsection (1)(c)*, as respects chargeable periods (within the said meaning) prior to those referred to in *subsection (2)*.

Amendment of section 887 of Principal Act (use of electronic data processing)

76. Section 887 of the Principal Act is amended in subsection (2) by inserting "generated," after "a record may be".

Magdalen laundry payments

77. (1) The Principal Act is amended—

(a) by inserting the following section after section 205:

"Magdalen Laundry Payments

205A. (1) In this section—

'relevant individual' means an individual to whom a relevant payment has been made;

'relevant payment' means a payment or payments made, directly or indirectly, to a relevant individual by or on behalf of the Minister for Justice, Equality and Defence, in accordance with the Table of Payments set out in Appendix A to the Magdalen Commission Report dated May 2013 on the establishment of an *ex gratia* scheme and related matters for the benefit of those women who were admitted to and worked in the Magdalen Laundries.

(2) This section applies to the following payments:

(a) a relevant payment;

(b) an amount equal to the State Pension (Contributory) as set out in column 2 of Part 1 of Schedule 2 of the Social Welfare Consolidation Act 2005 to a relevant individual;

(c) an amount equal to the State Pension (Non-Contributory) as set out in Part 3 of the Social Welfare Consolidation Act 2005 to a relevant individual;

(d) any payment, other than a payment referred to in paragraphs (a) to (c), made, directly or indirectly, by or on behalf of the Minister for Social Protection to a relevant individual, by virtue of that individual being a relevant individual.

(3) For the purposes of the Income Tax Acts, and notwithstanding any provision of those Acts to the contrary, a payment to which this section applies, made to a relevant individual, shall be disregarded.",

and

(b) in section 613(1)—

(i) in paragraph (c) by substituting "profession;" for "profession.", and

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

"(d) any payment to which section 205A applies.".

(2) Section 82 of the Capital Acquisitions Tax Consolidation Act 2003 is amended in subsection (1) by inserting the following paragraph after paragraph (b):

"(ba) any payment to which section 205A of the Taxes Consolidation Act 1997 applies;".

(3) This section shall apply to payments to which section 205A (inserted by *subsection (1)*) of the Principal Act applies made on or after 1 August 2013.

Mitigation and application of fines and penalties

78. (1) The following provisions are repealed:

(a) section 35 of the Inland Revenue Regulation Act 1890;

(b) section 209 of the Customs Consolidation Act 1876;

(c) section 118 of the Value-Added Tax Consolidation Act 2010.

(2) The Finance Act 2001 is amended by substituting the following section for section 130:

"130. A trial judge may in his or her discretion mitigate any fine or penalty incurred for any offence under or by virtue of excise law, provided that the amount so mitigated is not greater than 50 per cent of the amount of the fine or penalty.".

(3) Section 58 of the Capital Acquisitions Tax Consolidation Act 2003 is amended in subsection (9)(a) by deleting "1065,".

(4) Section 133 of the Stamp Duties Consolidation Act 1999 is amended by deleting "1065,".

(5) Section 1065 of the Principal Act is amended:

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

"(1) The Revenue Commissioners may in their discretion—

(a) mitigate any penalty, and may also, after judgment, further mitigate any such penalty imposed under the Acts,

(b) stay or compound any proceedings for the recovery of any fine or penalty imposed under the Acts.",

(b) in subsection (2)(a) by deleting "fine or" in each place, and

(c) by inserting the following subsection after subsection (3):

"(4) In this section 'the Acts' has the same meaning as in section 1077A(1).".

Electronic transmission of certain Revenue returns

79. Section 917D of the Principal Act is amended in subsection (1)—

(a) in the definition of "the Acts" by inserting the following after paragraph (a):

"(aa) the Customs Acts,",

and

(b) in the definition of "tax" by inserting "customs duty," before "excise duty".

Amendment of section 960R of Principal Act (power of Collector-General to require certain persons to provide return of property)

80. Section 960R of the Principal Act is amended—

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

" 'market value', in relation to property, means the price which that property might reasonably be expected to fetch if sold in the open market;",

(b) in subsection (3) by substituting "within 30 days of the giving of the notice a statement of affairs" for "within such time specified in the notice or within such period as the Collector-General may allow a statement of affairs",

(c) in subsection (5)—

(i) in paragraph (a) by inserting "and a statement of all the person's income and outgoings in respect of such period or periods as may be specified in the notice" after "is liable on the specified date",

(ii) in paragraph (b) by inserting "and a statement of all the income and outgoings of the second-mentioned person in respect of such period or periods as may be specified in the notice" after "the specified date",

(iii) in paragraph (c) by inserting "and a statement of all the income and outgoings of the trust in respect of such period or periods as may be specified in the notice" after "the specified date", and

(iv) in paragraph (d) by inserting "and a statement of all the person's income and outgoings in respect of such period or periods as may be specified in the notice" after "is liable on the specified date",

(d) in subsection (7) by substituting the following for paragraph (e):

"(e) its market value and details of any charges or encumbrances on that asset, and",

(e) by inserting the following after subsection (7):

"(7A) A statement of affairs delivered under this section shall contain in respect of each liability and each item of income or outgoings such information as the Collector-General may specify in the prescribed form.",

(f) in subsection (9) by inserting "statutory" before "declaration", and

(g) by deleting subsection (10).

Amendment of section 851A of Principal Act (confidentiality of taxpayer information)

81. Section 851A of the Principal Act is amended—

(a) in subsection (1)—

(i) by inserting the following definition:

" 'service provider' means any person engaged or formerly engaged by or on behalf of the Revenue Commissioners, or any person employed by such person, for the purposes of carrying out work relating to the administration of any taxes or duties under the care and management of the Revenue Commissioners by virtue of the Acts;",

and

(ii) by substituting the following for the definition of "taxpayer information":

" 'taxpayer information' means information of any kind and in any form relating to one or more persons that is—

(a) obtained by a Revenue officer or service provider for the purposes of the Acts,

(b) obtained by a Revenue officer or service provider purportedly for the purposes of the Acts, or

(c) prepared from information so obtained,

but does not include information that does not directly or indirectly reveal the identity of the person to whom it relates;",

(b) in subsection (2) by substituting "Revenue Commissioners, a Revenue officer or a service provider" for "Revenue Commissioners or a Revenue officer",

(c) in subsection (3) by substituting "Revenue officer, service provider" for "Revenue officer",

(d) in subsection (4) by substituting "Revenue officer or service provider" for "Revenue officer",

(e) in subsection (8) by substituting the following for paragraph (k):

"(k) taxpayer information may be disclosed to a service provider for the purpose for which the service provider is engaged and that information shall not be used by that service provider for any other purpose.",

and

(f) in subsection (9) by substituting "Revenue Commissioner, Revenue officer or service provider" for "Revenue Commissioner or Revenue officer" where it first occurs.

Amendment of section 1002 of Principal Act (deduction from payments due to defaulters of amounts due in relation to tax)

82. Section 1002 of the Principal Act is amended in subsection (1) by inserting the following paragraph after paragraph (e):

"(f) A notice of attachment, notice of revocation and any other notice provided for by this section (including the obligation to notify a taxpayer or relevant person in accordance with paragraph (b) of

subsection (12) but not including the notice referred to in paragraph (a) of that subsection) may be given to a taxpayer or to a relevant person, as the case may be, by electronic means (within the meaning of section 917EA).".

Amendment of Schedule 24A to Principal Act (arrangements made by the Government with the government of any territory outside the State in relation to affording relief from double taxation and exchanging information in relation to tax)

83. Schedule 24A to the Principal Act is amended—

(a) in Part 1 by inserting the following after paragraph 41A:

"41AA. The Double Taxation Relief (Taxes on Income and Capital Gains) (Ukraine) Order 2013 (S.I. No. 397 of 2013).",

and

(b) in Part 3—

(i) by inserting the following after paragraph 3A:

"3B. The Exchange of Information Relating to Taxes and Tax Matters (Dominica) Order 2013 (S.I. No. 398 of 2013).",

and

(ii) by inserting the following after paragraph 8A:

"8AA. The Exchange of Information Relating to Tax Matters (Montserrat) Order 2013 (S.I. No. 82 of 2013).".

Miscellaneous technical amendments in relation to tax

84. The enactments specified in the *Schedule*—

(a) are amended to the extent and in the manner specified in *paragraphs 1* to *4* of the *Schedule*, and

(b) apply and come into operation in accordance with *paragraph 5* of the *Schedule*.

Capital Services Redemption Account

85. (1) In this section—

"capital services" has the same meaning as it has in the principal section;

"Capital Services Redemption Account" has the same meaning as it has in the principal section;

"sixty-first additional annuity" means the sum charged to the Central Fund under *subsection (2)*;

"principal section" means section 22 of the Finance Act 1950.

(2) A sum of €85,282,431 to redeem borrowings in respect of capital services and interest

on such borrowings shall be charged annually on the Central Fund or the growing produce of that Fund in the 30 successive financial years commencing with the financial year ending on 31 December 2014.

(3) The sixty-first additional annuity shall be paid into the Capital Services Redemption Account in such manner and at such times in the relevant financial year as the Minister for Finance may determine.

(4) Any amount of the sixty-first additional annuity, not exceeding €65,550,000 in any financial year, may be applied toward defraying the interest on the public debt.

(5) The balance of the sixty-first additional annuity shall be applied in any one or more of the ways specified in subsection (6) of the principal section.

Care and management of taxes and duties

86. All taxes and duties imposed by this Act are placed under the care and management of the Revenue Commissioners.

Short title, construction and commencement

87. (1) This Act may be cited as the Finance (No. 2) Act 2013.

(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 corporation tax, the Corporation Tax Acts, and

(c) 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.

(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* 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 Taxes Consolidation Act 1997,

(c) corporation tax, shall be construed together with the Corporation Tax Acts,

(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,

(h) stamp duty, shall be construed together with the Stamp Duties Consolidation Act 1999 and the enactments amending or extending that Act, and

(i) 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.

(7) Except where otherwise expressly provided for in *Part 1*, that Part shall come into operation on 1 January 2014.

(8) 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.

SCHEDULE

Section 84

MISCELLANEOUS TECHNICAL AMENDMENTS IN RELATION TO TAX

1. The Taxes Consolidation Act 1997 is amended—

(a) in section 97(2H) by substituting the following for paragraph (b):

"(b) a civil partner in a civil partnership—

(i) in which the civil partners are separated by a deed of separation, agreement, arrangement or any other act giving rise to a legally enforceable obligation and made or done in consideration or in consequence of living separately in the circumstances referred to in section 1031A(2), or

(ii) that has been dissolved under section 110 of the Civil Partnership and Certain Rights and Obligations of Cohabitants Act 2010 or deemed to have been so dissolved under section 5(4) of that Act.",

(b) in section 201—

(i) in subsection (3) by substituting "Subsection (2)(a)(iv)" for "Subsection (2)(d)", and

(ii) in subsection (4A) (inserted by section 14(1)(d) of the Finance Act 2013) by substituting "on or after the date of the passing of the Finance Act 2013" for "on or after the date of the passing of this Act",

(c) in section 244(1)(a), in subparagraph (ii) of the definition of "qualifying residence", by deleting "and apart",

(d) in section 248A(5) by substituting the following for paragraph (b):

"(b) a civil partner in a civil partnership—

(i) in which the civil partners are separated by a deed of separation, agreement, arrangement or any other act giving rise to a legally enforceable obligation and made or done in consideration or in consequence of living separately in the circumstances referred to in section 1031A(2), or

(ii) that has been dissolved under section 110 of the Civil Partnership and Certain Rights and Obligations of Cohabitants Act 2010 or deemed to have been so dissolved under section 5(4) of that Act.",

(e) in Part 1 of the Table to section 458 by inserting "Section 493" after "Section 489",

(f) in section 524(1) by substituting "Subject to subsection (1A), the specified person" for "The specified person",

(g) in section 626B(1)(b)(i)(B) by substituting "clauses (I) and (II) of

subparagraph (i)" for "subparagraphs (i) and (ii)",

(h) in section 630 by substituting the following for the definition of "the Directive":

> " 'the Directive' means Council Directive 2009/133/EC of 19 October 2009[4], as amended, on the common system of taxation applicable to mergers, divisions, partial divisions, transfers of assets and exchanges of shares concerning companies of different Member States and to the transfer of the registered office of an SE or SCE between Member States;",

(i) in section 831(1)(a) by substituting the following for the definition of "the Directive":

> " 'the Directive' means Council Directive 2011/96/EU of 30 November 2011[5], as amended, on the common system of taxation applicable in the case of parent companies and subsidiaries of different Member States;",

(j) in section 894(1), in the definition of "specified provisions", by substituting "sections 889, 890, 891, 891A and 892" for "sections 889 to 893",

(k) in section 1077A(1), in the definition of "the Acts", by substituting the following for both paragraphs identified as (h):

> "(h) the Customs Acts,
>
> (i) the Finance (Local Property Tax) Act 2012,",

(l) in section 1077E(1), in the definition of "tax", by inserting ", universal social charge" after "parking levy", and

(m) in section 1094(1), in the definition of "the Acts", by substituting the following for paragraphs (f) and (g) (both inserted by section 94(a) of the Finance Act 2013):

> "(g) the statutes relating to stamp duty and to the management of that duty,
>
> (h) the Capital Acquisitions Tax Consolidation Act 2003, and the enactments amending or extending that Act,".

2. The Value-Added Tax Consolidation Act 2010 is amended—

(a) in section 95(4)(c) by inserting "by the receiver or person exercising the power" after "payable", and

(b) in paragraph 16(2) of Part 4 of Schedule 3 by substituting "Irish Standard I.S. EN 771-3: 2011 Specification for masonry units – Part 3: Aggregate concrete masonry units (dense and lightweight aggregates)" for "Standard Specification (Concrete Building Blocks, Part 1, Normal Density Blocks) Declaration 1987 (Irish Standard 20: Part 1: 1987)".

4 OJ No. L310, 25.11.2009, p.34
5 OJ No. L345, 29.12.2011, p.8

3. The Finance Act 1992 is amended—

(a) in section 130—

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

" 'vehicle' means a mechanically propelled vehicle;",

and

(ii) by inserting the following definition:

" 'unregistered vehicle' includes a vehicle—

(a) built up from a chassis, or

(b) built up using a monocoque or an assembly serving an equivalent purpose as a chassis,

which chassis, monocoque or assembly is either new or unused or is derived from another unregistered vehicle;",

and

(b) in section 132 by substituting the following for the meaning assigned to "N" for the purposes of the formula in subsection (3A):

"N is the number of days from the date the vehicle entered the State to the date of registration of the vehicle.".

4. Section 93 of the Finance Act 2013 is amended in subsection (1) by deleting paragraph (g).

5. (a) Subject to *subparagraphs (b)*, *(c)*, *(d)* and *(e)*, *paragraphs 1*, *2*, *3* and *4* have effect on and from the passing of this Act.

(b) *Subparagraphs (a)*, *(c)* and *(d)* of *paragraph 1* shall have effect as if they had come into operation for the year of assessment (within the meaning of section 2 of the Taxes Consolidation Act 1997) 2011 and each subsequent year of assessment.

(c) *Subparagraphs (b)* and *(m)* of *paragraph 1* are deemed to have come into force and have taken effect on and from 27 March 2013.

(d) *Subparagraphs (h)* and *(i)* of *paragraph 1* have effect on and from 1 July 2013.

(e) *Subparagraph (k)* of *paragraph 1* is deemed to have come into force and have taken effect on and from 1 January 2013.