TASC CALLS FOR THE GOVERNMENT TO CUT TAX BREAKS, NOT SOCIAL WELFARE

TASC believes that cutting tax breaks can contribute significantly to the €4 billion that the Government is seeking in Budget 2010.

TASC estimates that tax breaks will cost the State approximately €7.4 billion in 2009. If tax breaks on personal income tax and corporation tax were reduced to EU average levels, they would only cost €2.2 billion in 2009, a difference of €5.2 billion. Hence, the Government should cut tax breaks, not social welfare payments.

Evidence shows that tax breaks are more likely to benefit the better off. Social welfare cuts will affect the most vulnerable in society.

The Government spends money every time it decides to create or extend a tax break. A responsible government must include such expenditures in every annual Budget.

The Government must justify introducing or keeping any tax breaks. TASC calls for tax breaks to expire annually, unless the Government presents an equality audit and economic efficiency audit to the Oireachtas to demonstrate their economic and social benefits.

What is a 'tax break'?

The technical term is **'tax expenditure'**, but TASC is using the term **'tax break'** in this document as it is more readily understood by the general public.

In simple terms, **tax expenditure** is any official rule or scheme that allows an individual or organisation to reduce the amount that they would normally pay in personal income tax, corporation tax, etc.

There are many different types of tax expenditure. Some of them are a regular part of the tax system and are common to many countries. Others are created as part of schemes or to benefit certain industries. Ireland has no official definition that distinguishes between specific tax incentive schemes and more regular tax credits. TASC identifies this as a major shortcoming in the tax system.

Types of 'tax expenditure'

The tax system includes **basic tax credits**, such as personal tax credits for single and married persons for income tax.

Some things are **exempt** from tax. For example, payments in compensation for breach of employees' rights (e.g. discrimination) are exempt from income tax.

State bodies often are excluded from tax (as it would involve one part of the state paying another, and incurring administrative costs). For example, Local Authorities, the HSE and VECs are exempt from corporation tax.

Various initiatives and schemes, tax incentives, tax deferrals, tax reliefs, etc. are also tax expenditure. These allow an individual or organisation to reduce the amount of tax that they would normally pay under the terms of the specific scheme or for a specific purpose, such as mortgage interest tax relief, tax exemptions for pension lump sum payments, etc.

Some tax expenditure is relatively generic, like income tax relief for fees paid for training courses. Other tax expenditure is highly specific and only applies to a specific industry or to a specific category of person. For example, mine development and exploration expenditure is tax deductible for income and corporation tax. Another specific example is the capital gains tax exemption on works of art loaned for public display.

The tax breaks/tax expenditure identified by the Commission on Taxation are listed at the end.

TASC estimates that tax breaks will cost the State approximately €7.4 billion in 2009. If tax breaks on personal income tax and corporation tax were reduced to EU average levels, they would only cost €2.2 billion in 2009, a difference of €5.2 billion. Hence, the Government should cut tax breaks, not social welfare payments.

- In 2009, TASC estimates that the State will lose **€7.4 billion** in **potential revenue** through various forms of tax break, not including the personal credits that everyone receives. This level of tax expenditure is at a much higher rate than the EU average. Hence, the Minister for Finance should seek cuts in this area, not social welfare.

- The TASC estimate is based on OECD figures for 2005, which are the latest figures that show the effect of tax breaks on the tax system as a whole. The TASC estimate modifies the proportional value of tax expenditure as identified by the OECD, and takes account of the lower level of revenue predicted by the Department of Finance for 2009. Adjustments were made to take account of the phasing out of property-based and area-based tax expenditures, the new limits placed on pension tax breaks, as well as other changes to various items of tax expenditure.

  TASC's estimate is based on the best available data, but there is need for much more transparency in this area to allow annual calculation of the cost of tax breaks.

- The Department of Finance's *Pre Budget Outlook* (November 2009) estimates that total tax revenue will be €32 billion in 2009 (plus c. €1 billion in non-tax revenue, for total revenue of €33 billion).

- Based on 2005 figures, the EU average level of tax expenditure on personal income tax and corporation tax combined is 6.8 per cent of total tax revenue (OECD 2009a, pp. 60-62; OECD 2009b). This equates to €2.2 billion, based on the predicted total revenue of €32 billion for 2009.

- The level of tax breaks in Ireland is exceptionally high. They amounted to €10.7 billion in 2005 (which are the latest complete figures for the cost of tax breaks in a single year). The OECD *Economic Surveys: Ireland* reports that tax expenditure on personal income tax in 2005 amounted to €7.2 billion, plus an additional €3.5 billion in tax breaks on corporation tax. This totals €10.7 billion in tax breaks on personal income tax and corporation tax alone (OECD 2009a, pp. 60-62; OECD 2009b).

- In 2005, Ireland spent **three times** as much through tax breaks on personal income tax as the average of 22 EU countries, and **seven times** as much through tax breaks on corporation tax (OECD 2009a, pp. 60-62).
  Although this will be less in 2009, Ireland still has far more tax breaks than other EU countries.

- Tax breaks (tax deferrals, tax incentives, tax relief, etc.) are items of Government spending. Each tax breaks costs money and the decision to spend money should be weighed against the lost opportunity to do something else with the same money.

Evidence shows that tax breaks are more likely to benefit the better off. Social welfare cuts will affect the most vulnerable in society.

- The OECD report on Ireland notes that "While personal allowances take the lower earners out of income tax system, the distributional nature of the other reliefs goes against progressivity as they only affect those who pay tax and benefit the highest earners the most" (OECD 2009a, p. 61).

- In relation to tax breaks on private pensions in Ireland, the OECD notes that "The system performs badly in terms of equality" (OECD 2009a, p. 61).

- The Commission on Taxation pointed out the unequal distributional effect of Mortgage Interest Tax Relief, "with those in the top two income deciles accounting for close to half of the tax foregone" (Commission on Taxation 2009, p. 254).

- To cut social welfare will raise the number of households who become at risk of poverty. For example, over 36 per cent of lone parents and 23 per cent of unemployed people were at risk of poverty in 2008 (CSO 2009). The recent fall in at risk of poverty rates among the unemployed will be reversed by any cuts to social welfare.

The Government must justify introducing or keeping any tax breaks. TASC calls for tax breaks to expire annually, unless the Government presents an equality audit and economic efficiency audit to the Oireachtas to demonstrate their economic and social benefits.

- Tax breaks are not reported in the Budget. Yet, Government decisions to give tax breaks are the equivalent of spending money. Hence, the annual cost of all tax breaks/tax expenditure should be fully detailed to the Oireachtas in every Budget.

- TASC argues that the burden of proof lies with the Government if it wishes to extend a tax break. The Government should provide evidence that the tax break promotes equality and is beneficial to the economy. The Commission on Taxation has done some valuable work in beginning this process, but much more evidence is required to show whether much of existing tax expenditure is socially beneficial.

- TASC calls for a 'sunset clause' to be attached to all tax breaks, so that they expire one year after they are introduced unless the measure has passed the equality and economy audits put before the Oireachtas.

- TASC calls for an equality audit and an economic efficiency audit of every tax break to be presented in the Budget to show:
  - how the tax break distributes income and/or wealth
  - what social policy benefits are achieved (such as in health, education, housing, reducing social exclusion, etc.)
  - why the tax break is more efficient than direct spending
  - how much investment is generated (net of deadweight)
  - how much employment is generated (net of deadweight)

- what type of employment is generated, in what sector, and how this contributes to sustainable economic recovery

Note: 'deadweight' refers to investment that could reasonably be expected to have occurred in the absence of the tax break.

- TASC notes the Commission on Taxation's finding that "there has been no generally accepted definition of what constitutes a tax expenditure in Ireland" (2009, p. 238). The Commission on Taxation identified 245 tax relieving measures and classified 115 as 'tax expenditure' and 130 as 'benchmark tax system measures' (2009, p. 237). However, this categorisation is not official. TASC calls for the creation of a formal system to define and categorise tax breaks/tax expenditure, followed by an equality audit and economic efficient audit of all of them.

  For example, it is not clear why 'widowed parent tax credit' is categorised by the Commission on Taxation as tax expenditure, whereas an additional tax credit for widowed persons is categorised as a regular credit in the tax system.

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OECD (2009b) TASC correspondence with the OECD.

Appendix: Tax expenditures

Source: Report of the Commission on Taxation 2009

Tax expenditures relating to children

1. Exemption of child benefit from income tax
2. Exemption of foster care payments from income tax
3. One-parent family tax credit
4. Home carer tax credit
5. Widowed parent tax credit
6. Capital allowances for childcare facilities
7. Income tax exemption for childcare service providers
8. Exemption of employer-provided childcare from BIK charge

Tax expenditures relating to housing

1. Mortgage interest relief
2. Income tax relief for rent paid
3. Capital gains tax exemption on principal private residence
4. Income tax relief for service charges
5. Rent-a-room relief
6. Capital gains tax and stamp duty relief for disposal of a site to a child

Tax expenditures relating to health

1. Relief for medical insurance
2. Relief for health expenses
3. Relief for contributions paid to permanent health benefit schemes
4. Long-term care policies
5. Incapacitated child tax credit
6. Allowance for employing a carer for an incapacitated individual
7. Dependent relative tax credit, mortgage interest relief and principal private residence relief
8. Blind person's tax credit
9. Palliative care units
10. Tax concessions for disabled drivers/passengers

Tax Expenditures Relating to Philanthropy

1. Payment of tax by means of donation of heritage items
2. Payment of tax by means of donation of heritage property to the Irish heritage trust

3. Capital gains tax exemption on works of art loaned for public display
4. Income tax relief for expenditure on heritage buildings and gardens
5. BIK exemption for employer provided art objects in a heritage building or garden
6. CAT exemption for heritage property and heritage property of companies
7. Tax relief for donations to charities and approved bodies
8. Tax relief for donations to sports bodies
9. Tax relief for gifts made to the Minister for Finance
10. Income tax exemption for sports bodies
11. Capital gains tax exemption for sports bodies
12. Stamp duty exemption for sports bodies
13. CAT exemption for gifts/inheritances taken by charities
14. Income tax exemption for charities and similar bodies
15. CGT exemption for charities and similar bodies
16. Stamp duty exemption for charities and similar bodies.

Tax expenditures relating to enterprise (including farming)

1. Restriction of balancing charges on a building to the relevant holding period for that building
2. Tax treatment of grants
3. Research and development tax credit
4. Tax exemption for patent royalties
5. Deduction for capital expenditure on scientific research
6. Relief for investment in films
7. Business Expansion Scheme and Seed Capital Scheme
8. Stock relief for farmers
9. Tax relief for income from leasing farm land
10. Accelerated capital allowances for farm buildings for the control of pollution
11. Capital allowances on purchase of milk quota
12. Restructuring aid for sugar beet growers
13. Payments made to National Co-operative Farm Relief Services Ltd. and payments made to its members
14. Accelerated capital allowances for energy efficient equipment
15. Relief for investment in renewable energy generation
16. Mid-Shannon Corridor Tourism Infrastructure Investment Scheme
17. Investment allowance in respect of mining exploration expenditure and plant and machinery
18. Decommissioning of fishing vessels
19. Tax exemption for start-up companies
20. Tax treatment of venture capital fund managers
21. Tonnage Tax
22. Capital gains tax relief for disposal of a business or farm on retirement
23. Capital gains tax relief for disposal within the family of a business or farm

24. Business relief for CAT
25. Agricultural relief for CAT
26. Stamp duty relief for young trained farmers
27. Stamp duty exemption for single farm payment entitlements
28. Forestry tax incentives

Tax expenditures relating to employment

1. Employee tax credit
2. Income tax relief for trade union subscriptions
3. Benefit-in-kind exemption for employer-provided personal security assets and services
4. Benefit-in-kind and PRSI exemption for employer-provided public transport travel passes
5. Benefit-in-kind exemption on employer-provided bicycles
6. Income tax exemption for scholarships
7. Income tax relief for fees paid for third-level education
8. Income tax relief for fees paid for training courses
9. Income tax exemption for statutory redundancy payments
10. Income tax relief for termination payments in excess of the statutory redundancy amount
11. Income tax exemption for termination payments related to death, injury or disability
12. Tax relief for termination payments where employment involves foreign service
13. Benefit-in-kind exemption for retraining provided as part of a redundancy package
14. Systematic short-time relief
15. Income tax relief for the long-term unemployed and double payroll deductions for employers
16. Income tax relief for reorganisation payments
17. PRSI exemption for share options
18. Approved profit-sharing schemes
19. Employee share-ownership trusts
20. Approved share-option schemes
21. Approved savings-related share option schemes
22. Relief for new shares purchased on issue by employees
23. Artist's exemption
24. Sportsperson's relief
25. Seafarer's allowance
26. Allowances for expenses of members of Oireachtas
27. Payments under Scéim na bhFoghlaimeóirí Gaeilge
28. Remittance basis of taxation

Savings and investments

1. Tax preferences for approved pension schemes
2. Exception to charge to tax under Section 777
3. Tax exemption for income of superannuation funds
4. Tax relief for retirement annuity premiums
5. Tax relief for personal retirement savings accounts
6. Tax exemptions for pension lump sum payments
7. Tax exemption on income of credit unions
8. Taxation of interest and dividends on special term accounts

Other tax expenditures

1. Age tax credit
2. Age exemption and associated marginal relief
3. Income under dispositions for short periods (deeds of covenant)
4. Veterans of War of Independence
5. Military and other pensions, gratuities and allowances
6. Profits from lotteries
7. Consanguinity relief (stamp duty)

Tax expenditures not examined by the Commission (schemes being discontinued)

1. Urban renewal scheme
2. Town renewal scheme
3. Rural renewal scheme
4. Living over the shop scheme
5. Registered holiday cottages
6. Multi-story car parks
7. Hotels accelerated allowances
8. Registered holiday cottages
9. Student accommodation
10. Third-level educational buildings
11. Sports injuries clinics
12. Private hospitals
13. Nursing homes and convalescent facilities
14. Residential units attached to nursing homes
15. Medical health centres
16. The park and ride scheme
17. The general rental refurbishment scheme
18. Measures in respect of greyhound and stallion stud fees
19. VRT relief in respect of short-term car hire

130 Reliefs that are part of the benchmark tax system

Category 1 – Measures which are inherent in the design of the tax system including avoidance of double taxation and complying with international fiscal obligations together with minor reliefs and measures to facilitate tax administration

1. Where employees receive shares that are subject to restriction on sale, the value for income tax purposes of a restricted share is reduced by reference to a formula depending on the length of the restriction period; where employees receive shares that are subject to forfeiture, when a share is forfeited, tax previously charged is repaid.

2. Non-residents are exempt from income tax on dividends from Irish companies.

3. There is an exemption from dividend withholding tax where the dividend is paid to a pension fund, company, charity etc.

4. Income tax exemptions apply for non-residents on Irish source interest income.

5. Foreign social security pensions are exempt from income tax if residents of the paying country are tax exempt there. The pensions must correspond to Irish social welfare pensions and US pensions are ineligible for exemption.

6. DIRT may be repayable where deposit interest is receivable by persons aged 65 or over, or permanently incapacitated

7. Tax relief is available for trading losses and charges on income for income tax or corporation tax.

8. Trading losses may be surrendered between members of a corporate group.

9. The transfer of assets on death is not regarded as a disposal and death is therefore not an occasion of charge to capital gains tax. The assets held by a deceased person are deemed to be acquired on his or her death by the personal representatives or legatees at their market value at the date of death.

10. Gains up to €1,270 per individual per year are exempt from capital gains tax.

11. Any item of tangible movable property that is sold for €2,540 or less is exempt from capital gains tax.

12. Tangible movable property with an expected useful life of not more than 50 years is exempt from capital gains tax

13. There is an exemption from capital gains tax on National Instalment Savings, Prize Bonds, personal injury compensation and pension fund rights.

14. Participation exemption for holding companies on capital gains.

15. Immigrants are liable to income tax from the date of their arrival in Ireland and emigrants are liable to income tax up to the date of their departure from Ireland.

16. The tax liability of cross-border workers paying tax in the country where they work is proportionally reduced by excluding the foreign income (and related tax) in computing Irish tax.

17. Double taxation relief is provided for foreign tax, usually by the credit method.

18. Capital acquisitions tax is not payable on gifts not exceeding €3,000 per year per donor.

19. The proceeds of insurance policies that insure CAT liabilities are themselves exempt from CAT (and exit tax on approved retirement funds) to the extent that they are used to meet the tax liability.

20. Non-residents are not liable to CAT on Irish insurance policies or units in collective investment undertakings or common contractual funds where both the donor and beneficiary are foreign-domiciled and foreign-resident.

21. Irish government securities may be exempt from CAT. No Irish CAT is payable where both the donor and beneficiary are foreign-domiciled and foreign-resident; otherwise the securities must be held for 15 years before the date of the disposition.

22. There are exemptions from CAT for normal and reasonable payments within the family, payments to incapacitated individuals, normal and reasonable payments from trusts towards the support, maintenance or education of minor orphaned children, compensation and damages and winnings from betting and lotteries.

23. Gifts to oneself are exempt from CAT. The exemption also applies to gifts to (or by) companies owned by the donor.

24. Gifts and inheritances that are made free of CAT include the tax paid by the donor as part of the gift or inheritance, but there is no further grossing-up of the benefit.

25. A multiple CAT charge is eliminated where the same property is taxable more than once in the same event.

26. Capital gains tax may be credited against CAT where both taxes arise on the same property in a single event.

27. A multiple CAT charge is eliminated where the same property is taxable more than once in the same event.

28. There is a stamp duty exemption for intermediaries and clearing houses.

29. Stamp duty is repayable when a member of an approved profit-sharing scheme transfers (sells) shares under the scheme.

30. There are stamp duty exemptions for transfers of loan capital.

31. Stamp duty is not chargeable on transactions related to stock lending and borrowing.

32. Stamp duty is not chargeable on repo transactions (sale and repurchase of stock).

33. There are stamp duty exemptions for transfers of units in regulated collective investment undertakings and also for transfers of shares in companies incorporated outside Ireland.

34. There is an exemption from stamp duty on transfers of securities issued by a foreign government.

35. There are stamp duty exemptions on transfers of instruments used primarily in the financial services industry.

36. There are stamp duty exemptions for social housing - houses acquired from industrial and provident societies and voluntary bodies are exempt. Shared ownership leases are also exempt.

37. There is a stamp duty exemption to the extent that the value of transferred land is represented by growing timber.

38. There is a stamp duty exemption on transfers of foreign immovable property.

39. There is a stamp duty exemption on transfers of intellectual property.

40. There is a stamp duty exemption on documents such as cover notes which are made in anticipation of the issue of a formal policy of non-life insurance.

41. Health, permanent health and critical illness insurance policies are exempt from stamp duty.

42. Stamp duty is not payable on transfer of ships and aircraft, on wills, and on instruments made by, to or with the Commissioners for Public Works.

43. Where the lease of a dwelling-house is for a period not exceeding 35 years or for an indefinite term and the rent does not exceed €30,000 per annum, the lease is exempt from stamp duty

44. VRT is reduced for hybrid vehicles, flexible fuel vehicles, electric vehicles and electric motorcycles.

45. Full relief from, or a reduced rate of, mineral oil tax applies to marked diesel used for certain purposes.

Category 2 – Measures related to the unit of taxation and measures which are tax neutral

46. Resident companies are tax exempt on dividends from other resident companies.

47. Personal tax credits for single and married persons for income tax.

48. An additional personal tax credit for income tax is available to widowed persons.

49. No capital gains tax is payable where insurance proceeds or compensation receipts are used to restore or replace an asset.

50. Capital gains tax is deferred on amalgamation or reorganisation of a company.

51. Capital gains tax is deferred on transfers of assets within a corporate group.

52. These provisions implement the EC Mergers Directive into Irish law and provide corporation tax and capital gains tax reliefs for mergers and reorganisations.

53. Farm stock may be transferred at book value for income tax purposes by a retiring farmer to his or her successor.

54. Tax is deferred in an offshore fund reorganisation.

55. Income tax or corporation tax is deferred where shares held as trading stock are exchanged in a corporate reorganisation.

56. Life policies are taxed only at the life company level.

57. Capital gains tax is deferred when a business is transferred by an individual to a company.

58. Capital gains tax is deferred on reorganisation or amalgamation of a company.

59. Income tax or corporation tax is deferred on an exchange of Irish Government bonds.

60. Maintenance payments by separated spouses are deductible to the payer and taxable on the recipient for income tax purposes.

61. Separated and divorced persons may elect to be taxed jointly.

62. Payments pursuant to orders under the Family Law Acts may be made without deduction of tax.

63. Capital gains tax is deferred where assets are transferred between married persons.

64. There is a capital gains tax exemption for transfers of assets as part of a separation or divorce agreement.

65. CAT is not payable on gifts and inheritance from one spouse to the other.

66. There is an exemption from CAT where a parent inherits from a deceased child an amount previously received as a gift or inheritance by the child from either parent.

67. There is a CAT exemption on dwelling houses transferred to other occupants of the house.

68. Transfers of property between former spouses on dissolution of a marriage are exempt from CAT.

69. There is a stamp duty exemption for transfers within a corporate group.

70. Stamp duty is not payable on reconstruction or amalgamation of a company, a collective investment undertaking, a fund or a common contractual fund.

71. Stamp duty is not payable on demutualisation of assurance companies.

72. No stamp duty is payable where land is exchanged to consolidate land in a farm.

73. Stamp duty is not payable on transfers between spouses.

74. There is a stamp duty exemption for transfers of assets as part of a divorce agreement.

Category 3 – Deductions for expenses incurred in earning income

75. Management expenses are tax deductible by an investment company.

76. An income tax or corporation tax deduction is available for the cost of establishing or altering an employee superannuation scheme.

77. An income tax or corporation tax deduction is available for the cost of registration of a trade mark.

78. Interest expense incurred in acquiring rented property is tax deductible for income tax or corporation tax.

79. An income tax or corporation tax deduction is available where rent receivable is irrecoverable.

80. Premiums on leases are deductible against income by a trading tenant over the life of the lease.

81. Premiums on leases are deductible against rental income by a landlord over the life of the lease.

82. Standard expense allowances are prescribed by the Minister for Finance for specific public service occupations and may be paid free of income tax; employees may alternatively deduct actual expenses incurred.

83. No benefit-in-kind charge is imposed where an employer pays the cost of mobile phone, internet connection, computer equipment or professional subscription used for business purposes by an employee.

84. Travel and subsistence expenses at public sector rates may be paid free of income tax to non-executive members of public and private sector non-commercial bodies where the members earn less than €14,000 pa (€24,000 for a chairman)

85. Standard expense allowances paid to members of the judiciary in respect of the expenses they incur in the performance of their duties are not subject to income tax.

86. Foreign service allowances of civil servants, Gardaí, defence force members and employees of State enterprise agencies are not subject to income tax. The allowances compensate for additional costs of living outside Ireland.

87. Interest expense is tax deductible by a company where the loan is used to acquire a trading company.

88. Interest expense is deductible for income tax where the loan is used by an individual to acquire a trading company or an interest in a partnership.

89. There is a tax depreciation allowance for industrial buildings for income tax or corporation tax.

90. There is a tax depreciation allowance for machinery and plant for income tax or corporation tax.

91. There is a tax depreciation allowance for expenditure on dredging for income tax or corporation tax.

92. There is a tax depreciation allowance for farm buildings for income tax or corporation tax.

93. There is a four-year write-off period for stallions.

94. Mine development and exploration expenditure is tax deductible for income and corporation tax.

95. There is a tax depreciation allowance for mineral depletion for income tax or corporation tax where a mine is purchased.

96. Petroleum exploration expenditure is deductible for income tax or corporation tax.

97. An industrial and provident society may deduct rebates, discounts and dividends to members for corporation tax.

98. Business expenses incurred may be deducted against the income of a clergyman or a minister of religion for income tax.

Category 4 – Measures relating to the Government, public sector bodies and holders of Government securities

99. Tax exemptions are available for income from Government and other public securities.

100. Bonus and interest paid in respect of National Instalment Savings are exempt from income tax.

101. Income derived by the Minister for Finance from investment of the social insurance fund is exempt from tax.

102. Local authorities, the Health Service Executive, vocational education committees and committees of agriculture are exempt from corporation tax.

103. The Housing Finance Agency plc is exempt from corporation tax on business and investment income.

104. The Irish Takeover Panel is exempt from corporation tax.

105. The Investor Compensation Company Ltd is exempt from corporation tax.

106. The National Lottery, The Dublin Docklands Development Authority and any of its wholly owned subsidiaries, The Pensions Board, Horse Racing Ireland, Irish Thoroughbred Marketing Limited, Tote Ireland Limited and The Commission for Electricity Regulation are exempt from corporation tax.

107. Non-commercial semi-state bodies are exempt from corporation tax on investment income.

108. Bodies designated under the Securitisation (Proceeds of Certain Mortgages) Act, 1995 are exempt from income tax and corporation tax.

109. The National Treasury Management Agency is exempt from corporation tax.

110. The National Pensions Reserve Fund Commission is exempt from corporation tax.

111. The National Development Finance Agency is exempt from corporation tax.

112. Various Government and other public securities are exempt from capital gains tax.

113. The public bodies listed in the Schedule are exempt from capital gains tax.

114. Loan stock of state bodies is exempt from stamp duty.

115. The Dublin Docklands Development Authority and its subsidiaries are exempt from stamp duty on acquisition of land.

116. The Courts Service is exempt from stamp duty on acquisition of land.

117. Temple Bar Properties Limited is exempt from stamp duty on acquisition or leasing of property.

118. Securities issued by the special purpose vehicle established under the Securitisation (Proceeds of Certain Mortgages) Act, 1995 are exempt from stamp duty.

119. Instruments which secure money advanced by the Housing Finance Agency are exempt from stamp duty.

120. The National Building Agency Limited is exempt from stamp duty.

121. Housing authorities and affordable homes partnerships are exempt from stamp duty.

122. A range of documents which are executed by the National Treasury Management Agency in the course of the management of the national debt is exempt from stamp duty.

123. Instruments payable out of Oireachtas funds are exempt from stamp duty.

124. Certificates of indebtedness (of the State) are exempt from stamp duty.

Category 5 – Court orders, court awards and compensation payments

125. Income and gains derived from the investment of funds received in compensation of personal injury are tax exempt where the income represents more than 50% of total income.

126. Funds in trust for permanently incapacitated persons that were raised by public subscription are exempt from tax.

127. Payments made by the Haemophilia HIV Trust are exempt from income tax.

128. Payments made by the Hepatitis C Tribunal and HIV compensation payments are exempt from income tax.

129. Compensation payments in respect of thalidomide children are exempt from income tax and income and capital gains arising on investment of the compensation are also tax exempt.

130. Payments in compensation for breach of an employee's rights (e.g. discrimination, harassment etc) are exempt from income tax.