

Irish Tax Institute

Tax Policy Framework

1. Our policy role and objectives

The Irish Tax Institute (“the Institute”) is a centre for thought leadership and is a balanced and authoritative voice on tax policy matters.

Irish tax policy is set by government and administered by the Revenue Commissioners. Within this framework, the Institute strives to promote the study of, research into and discussion of all matters relating to tax legislation and the administration and practice of taxation. We provide a forum for the dissemination of research and information on tax policy prepared by ourselves, Government, the public service and other authoritative persons and bodies both in Ireland and internationally. The results of our own work are shared with the general public and relevant Government departments and statutory bodies as necessary.

The Institute does not engage in research work or consultations on behalf of individual taxpayers or firms of tax advisers. The Institute does not engage in research work that would result in unfair advantage for individual taxpayers or classes of taxpayers or for individual Chartered Tax Advisers or classes of Chartered Tax Advisers. Matters referred for consideration to the Institute by taxpayers or tax advisers will be acted on only if the Institute forms the view that broader policy issues, in accordance with this tax policy framework document, arise. In forming this view, the Institute may consult with relevant stakeholders.

The Institute recognises the central role tax policy plays in improving Ireland’s economic strength and the well-being of its people. The Institute will engage constructively with Government and the executive on this issue.

2. Our policy framework

The following policy statements and protocols determine the research work and policy discussions engaged in by the Institute. This framework has been approved by the Council of the Institute and is subject to regular review.

2.1 The tax administration system

- The tax administration system should be transparent, efficient, effective, robust and stable.
- The tax administration system should treat all taxpayers in a consistent and fair manner.
- The tax administration system should be subject to an external evaluation process at appropriate intervals to ensure it matches best practice internationally.
- The tax administration system should ensure low compliance costs for the taxpayer.

- Those responsible for the administration of the tax system should be held appropriately accountable to the Oireachtas (representing taxpayers) on the discharge of their duties.
- Tax policy should be administered in a fair and impartial manner and in a way that provides tax certainty for taxpayers, which respects the entitlement of taxpayers to manage their affairs in a compliant manner.
- The tax administration system is primarily based on the principle of self-assessment and this principle should be applied consistently to all taxes. A notable exception is the PAYE system as it applies to employees.
- Taxpayers within the self-assessment system (and therefore required to calculate and pay their tax liabilities without assessment) are entitled to a system that enables them to calculate their liabilities with certainty and pay them in accordance with reasonable and consistent deadlines.
- Taxpayers are entitled to an independent, impartial and fully transparent avenue of appeal against both legislative and administrative decisions taken by the Revenue Commissioners.
- Taxpayers are entitled to the operation by the Revenue Commissioners of a “Taxpayer’s Charter” (Customer Service Charter) which meets best practice standards as set out by the EU and the OECD.

2.2 *Tax policy to underpin economic growth and social development*

- Tax policy should support balanced and sustainable economic growth and promote increased employment while providing the resources necessary to meet the cost of public services and other government outlays in the medium and longer term.
- The tax policy approach adopted by government should be subject to a process of ongoing structured review to ensure that it is supporting competitiveness, economic growth and the government’s social programme.

2.3 *The fiscal legislative process and stakeholder engagement*

- International best practice should be applied in setting tax policy and adopting legislation.
- The tax policy and legislative system should be flexible, democratic and open to independent review.
- Tax law should be drafted in a manner that ensures equal treatment for taxpayers in similar circumstances and does not lead to fundamental inequities for classes of taxpayers.
- Tax law should be drafted clearly. The Oireachtas should be allowed sufficient time to examine proposed tax legislation prior to its enactment. The Institute favours publication of draft legislation for consultation in advance of the Finance Bill being published.
- Tax law should, as far as possible, be drafted in a manner that provides certainty for taxpayers.

- Subject to the national interest, there should be a consistency of approach in framing tax legislation.
- The setting of tax policy should involve an inclusive and collaborative approach with all relevant stakeholders.
- Changes in tax law that impose revised or additional compliance requirements or responsibilities on taxpayers should provide for sufficient lead-in time.
- Material changes in obligations placed on taxpayers should be approved by the Oireachtas only on foot of a regulatory impact assessment report that includes an assessment of costs of compliance.
- Tax law and tax policy should be subject to a structured process of review by the legislature to ensure it continues to meet its intended purpose and to gauge the socio-economic impact it has had.
- Tax law should be drafted in a manner that respects the rights of the citizen including his/her constitutional and human rights and rights derived from EU jurisprudence. In particular, changes in tax law should not be retrospective to the detriment of the taxpayer.
- Tax law and tax policy should support the government's published International Tax Charter which sets out the principles and strategic objectives that guide Ireland's approach to international corporate tax issues.

2.4 Taxpayers

- Taxpayers should comply with their tax obligations.
- Taxpayers are entitled to all necessary information, provided by the State in a timely and clear manner, to enable them to meet their tax obligations and to a clear explanation of their responsibilities, rights and entitlements.
- Taxpayers are entitled to an efficient, effective, timely and confidential service from Revenue.
- Taxpayers are entitled to independent and timely processes for resolution of disputes. This includes Revenue's Internal/External Review process and the tax appeals process. They are also entitled to independent oversight and protection of their rights.
- Taxpayers are entitled to be independently advised and represented in relation to their tax affairs.

2.5 Chartered Tax Advisers

- Only persons with recognised and requisite technical expertise and competence should offer professional tax advice.
- Chartered Tax Advisers should exercise ethical independence and impartiality and operate in accordance with an appropriate code of professional conduct.

- Chartered Tax Advisers should consistently promote compliance with tax law among their own clients and be tax compliant themselves.
- Chartered Tax Advisers should provide their clients with a clear and comprehensive explanation of relevant tax law and, where available, advise their clients on how this law has been construed by the Courts (both Irish and, where relevant, international), the Oireachtas and the Revenue Commissioners.

Approved by Council: April 2018

Next scheduled review: January 2020