



# **A WEALTH TAX FOR IRELAND**

THE SINN FÉIN PROPOSAL



# INTRODUCTION

Across Europe countries struggling to reduce deficits and raise revenue for investment in public services and job creation are turning to wealth taxes.

France, Sweden, Norway, Finland and Iceland are just some of the countries that successfully operate wealth taxes. In France the socialist government has recently strengthened its existing wealth tax legislation. In Spain the Conservative government has reintroduced its wealth tax.

In Germany the leading opposition party, the SPD, have drafted wealth tax legislation and promised to introduce it if successful in this September's general election. In Britain the Liberal Democrats are currently advocating the introduction of such a tax.



During the 1990s and 2000s light touch financial regulation was complemented by light touch tax regimes. Equitable and sustainable tax systems which had been put in place in many countries from the 1950 onwards were dismantled in parallel with the dismantling of the robust regulation of banks and financial services.

Today people widely accept that the dismantling of banking and financial services regulation was one of the causes of the global economic crisis of 2008 and was a mistake. There is also a growing recognition that the light touch tax regimes of the 1990s and 2000s left governments with unsustainable tax bases and are continuing to hamper governments in dealing with large deficits and requirements for investment in jobs and services.

Sinn Féin has consistently argued against light touch banking and financial regulation and against light touch tax regimes.

Our recent alternative budgets have strongly advocated progressive reform of the state's tax system. We want a tax system that is fair and that generates sufficient revenue to provide world class public services and on-going investment in sustainable economic growth.

A key element of our progressive tax reform proposals is a Wealth Tax. This guide and the accompanying Wealth Tax Bill 2012 contained in the appendix detail the model of wealth tax advocated by Sinn Féin. The introduction of such a tax would play a positive and progressive role not only in reforming our broken tax system but in the social and economic recovery of the state.

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A stylized, handwritten signature in black ink, appearing to read 'Pearse Doherty'.

Pearse Doherty TD



# IRELAND'S LAST WEALTH TAX

The state operated a wealth tax from 1975. However while the initial legislation was quite strong, the Fine Gael Labour government of the day bowed to pressure and included a large number of exemptions in the final act. As a result the yield was low. The legislation was repealed in 1978.

The ESRI study produced a detailed research paper into the design and operation of the wealth tax in 1985. The report said that, "Opponents of the Wealth Tax argued that it had detrimental effects especially on investment, but there is no convincing evidence to support this contention."

However the study also concluded that the cost of administering the tax was "exceptionally high". The most effective way to avoid this key concern of the ESRI report is to make any wealth tax self-assessed.

## SINN FÉIN'S WEALTH TAX PROPOSAL – THE BASICS

- ★ Sinn Féin's wealth tax proposal is based on aspects of the taxes currently in operation in France and Sweden
- ★ A 1% tax on net assets in excess of €1,000,000
- ★ The tax is self-assessed, valued on 1st March of a given year and paid on or by October 31st of that year
- ★ The tax applies to individuals, couples (married, civil-partners or cohabiting), families (including dependent and non-dependent children), non-trading private companies and non-charitable trusts
- ★ All debts and liabilities held on the assessment date are factored into the calculation
- ★ A range of exemptions are also included the full detail of which are below
- ★ The tax does not apply to business assets, investments or shares in private companies
- ★ Safeguards for those who are asset rich but income poor are provided



# WHERE YOU LIVE

- ★ Where the taxable unit is domiciled or ordinarily resident in the state for tax purposes the tax applies to their global assets including all cash and non-cash assets. This means in the case of a person whose permanent residence is Ireland or who has been resident in Ireland for tax purposes of more than three years the wealth tax will apply to their domestic and global assets.
- ★ Where the taxable unit is not domiciled or ordinarily resident in the state the tax applies to their assets located in the state only including all cash and non-cash assets. This means in the case of a person who has been resident for tax purposes for three years or less the wealth tax only applies to their assets in the state.



# WHAT ASSETS ARE INCLUDED?

- ★ All income and savings
- ★ Stocks and shares and all other financial products in public companies
- ★ Shares in private non-trading companies
- ★ Land
- ★ Buildings
- ★ Second and subsequent homes including holiday homes
- ★ Personal possessions including art, cars, boats, planes, jewellery, gold



# WHAT ASSETS ARE EXCLUDED?

- ★ The first 20% of the family home and the ordinary contents of the home
- ★ All business assets including land, buildings machinery that are used for generating and sustaining employment
- ★ Shares in private trading companies
- ★ Working farm land, livestock and bloodstock
- ★ Pension funds
- ★ Funds from personal injury claims
- ★ Certain pictures, prints, books, manuscripts works of art, jewels, scientific collections, gardens, trees or other land that have a national, scientific, historic or artistic value, that are kept permanently in the state and that are available for public viewing
- ★ Property held by charities
- ★ Social welfare payments



# WHAT DEDUCTIONS CAN BE MADE?

- ★ 20% of the value of the family home
- ★ Mortgage liabilities
- ★ Non-professional debts
- ★ Credit card balances
- ★ Bank overdrafts
- ★ Outstanding non-professional invoices
- ★ Outstanding tax liabilities
- ★ The capital value of outstanding divorce settlements



# INABILITY TO PAY

- ★ Where a taxable unit can demonstrate an inability to pay their liability by the due date the Revenue Commission can agree a deferred payment
- ★ In some cases a taxable units wealth will consist solely or predominantly of the family home. In such cases if the Revenue Commissioners is satisfied that (a) the person has demonstrated an inability to pay and (b) where at least 90% of the value of their liability consists of the family home, the tax liability can be waived.

# PENALTIES

- ★ The Revenue Commission may impose a fine of up to 100% of a taxable units liability where full or part liability is being evaded or avoided
- ★ The Revenue Commissioners may apply an interest rate of 0.0032 per cent per month or part month for late payment of the tax
- ★ The Revenue Commissions may impose a fine of up to 10% of a taxable units liability for failure to comply with any aspect of the wealth tax law
- ★ An addition penalty of up to 10% per day can also be applied on a taxable unit for continued failure to comply with the legislation after a court judgement has been secured against them
- ★ Further penalties can also apply for fraudulently or negligently supplying incorrect returns or statements or obstructing the work of the Revenue Commissioners

# DEALING WITH EVASION OR AVOIDANCE

- ★ In addition to the significant penalties that could accrue if a taxable unit evades or avoids their liability, there is also a wide ranging power given to the Revenue Commissioner in determining whether applications for exemptions are being sought for legitimate or illegitimate purposes. In those cases where the Revenue Commissioners believe that the application for an exemption is being sought on property for the express purpose of evading or avoiding liability to the Wealth Tax, the Commissioners may refuse to grant the exemption.



# WORKING OUT YOUR TAX

- ★ Maureen is a widow and has a house valued at €500,000. She has annual net income of €60,000. The business her husband left her is valued at €600,000, including turnover and property. Maureen on paper has a worth of €1.16million in any given year, but the wealth tax excludes her business and 20% of her family home. This means that Maureen's wealth for the purposes of this tax amounts to €460,000 and therefore she is not affected by the wealth tax.
- ★ Ciaran's house is worth €1.3million. He inherited the house and has no mortgage. His salary and savings in account are €200,000. Ciaran has an investment portfolio of €400,000. He has a pension pot of €500,000 and cash savings of €75,000. The wealth tax excludes €260,000 (20%) of Ciaran's house and his pension pot. This leaves Ciaran with a net wealth of approx. €1.715million. The 1% tax is levied on the €715,000, which means Ciaran pays a wealth tax of €7,150.



## HOW MUCH WEALTH IS THERE IN THE STATE?

- ★ The government does not collect detailed data on personal wealth, although the CSO plans to collate such data from 2014 onwards. However a number of other sources provide us with an indication of the level of personal wealth held in the state.
- ★ The Central Bank Quarterly Accounts for Ireland released August 2012 states that the household net worth in Quarter 1 2012 was €447.9 billion. The Central Statistics Office Institutional Sector Accounts published November 2012 also give details on the financial assets and liabilities of households.
- ★ The Capgemini 2012 World Wealth Report states that Ireland "saw a 16.8% rise in its High Net Worth Individual population [individuals with net assets in excess of \$1million].



# HOW MUCH WOULD SINN FÉIN'S WEALTH TAX RAISE?

- ★ In a Dáil debate in 2011, Minister for Finance Michael Noonan estimated that a French-type wealth tax implemented here would raise between €400million and €500million in a full tax year. Since then the French government has strengthened the legislation underpinning their wealth tax and expect the annual yield to double.
- ★ Based on data from the Central Bank, the CSO and Capgemini World Wealth Report, Sinn Féin has estimated that a wealth tax could bring in up to 0.5% of GDP or €800million in a full tax year.

**TAX WEALTH NOT HOMES**



**WEALTH TAX IS FAIR**  
Sinn Féin is calling on the government to introduce a Wealth Tax because:

-  **It is fair.** It would be based on ability to pay. As the state struggles to pay for public services it is right that those who have more should be asked to pay more.
-  **It will mean less cuts and less tax hikes for struggling families.** This is about choices. A 1% tax on wealth could raise up to €800 million that the Government would otherwise take from public services in cuts or from families in increased taxes.
-  **It is a progressive tax.** It will mean increased solidarity between those who have plenty and those who are struggling to survive.

**Sinn Féin** [www.sinnfein.ie](http://www.sinnfein.ie)

**TAX WEALTH NOT HOMES**



**TAX ON HOMES IS UNFAIR**  
Sinn Féin is opposing the governments proposals for a property tax because:

-  **It will not be a fair tax.** It will not be based on ability to pay.
-  **It will not mean more funding for local government.** This tax is not a local tax and will not be used to provide better local services.
-  **Families who are already struggling cannot afford this tax.** We have just had a property crash. Increasing numbers of families are struggling to pay their mortgages and many paid large sums in stamp duty when they bought their homes at the height of the boom.

**Sinn Féin** [www.sinnfein.ie](http://www.sinnfein.ie)

## WHO ELSE SUPPORTS A WEALTH TAX?

- ★ The Irish Congress of Trade Unions
- ★ The Nevin Economic Research Institute
- ★ TASC
- ★ Claiming Our Future
- ★ The Community Platform





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## COMPREHENSIVE ASSET (WEALTH) TAX BILL, 2012

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### AN ACT TO CHARGE A TAX ON CERTAIN ASSETS TO BE KNOWN AS WEALTH TAX,

Interpretation. 1.—(1) In this Act —

“*accountable person*” means a person who is accountable for the payment of tax;

“*assessable person*” means the aggregated wealth of an individual, a household, discretionary and other types of trusts or private non-trading company;

“*child*” includes— any dependent under the age of 18 for which the assessable person is legally responsible for,

“*the Commissioners*” means the Revenue Commissioners;

“*discretionary trust*” means; any disposition whereby, or by virtue or in consequence of which, property is held on trust to apply, or with a power to apply, the income or capital or part of the income or capital of the property for the benefit of any person or persons or of any one or more of a number or of a class of persons whether at the discretion of trustees or any other person and notwithstanding that there may be a power to accumulate all or any part of the income and for the purposes of this definition ‘disposition’ includes any disposition whether by deed or otherwise and any covenant, agreement or arrangement whether effected with or without writing;

“*domicile*” has the meaning given to it in the Domicile and Recognition of Foreign Divorces Act 1986.

“*entitled in possession*” means having a present right to the enjoyment of property as opposed to having a future such right, and without prejudice to the generality of the foregoing, a person shall also, for the purposes of this Act, be deemed to be entitled in possession to—

(a) property comprised in an instrument which the individual may

- (a) property comprised in an instrument which the individual may revoke, and
- (b) an interest or share in a partnership, joint tenancy or estate of a deceased person, in which the individual a partner, joint tenant or beneficiary as the case may be,

“*limited interest*” shall be construed in accordance with section 3 (3)

“*the market value*”, in relation to property, means the market value thereof ascertained in accordance with section 7 or 8 as the case may be;

“*ordinarily resident*” has the same meaning as in the Income Tax Acts;

“*personal property*” means any property other than real property;

“*personal representative*” means the executor or administrator for the time being of a deceased person and includes any person who takes possession of or intermeddles with the property of a deceased person, and also includes any person having in relation to the deceased under the law of another country any functions corresponding to the functions for administration purposes under the law of the State of an executor or administrator;

“*private non-trading company*” has the meaning assigned to it by section 17 of the Capital Acquisitions Tax Act, 1976;

“*property*” includes interests and rights of any description;

“*tax*” means wealth tax chargeable by virtue of this Act;

“*valuation date*”, in relation to any year, means the 1st day of March in that year.

Charge of wealth tax.

2.—Subject to the provisions of this Act and any regulations thereunder, with effect from the passing of this act, a tax, to be called wealth tax, shall be self-assessed, valued annually on 1<sup>st</sup> March and paid annually on or before the 31<sup>st</sup> October every year, upon the net market value of the taxable wealth in excess of €1million on the valuation date in every year of every assessable person and the rate of tax shall be one per cent of that net market value.

Taxable wealth of individual.

3.—(1) Subject to the provisions of this Act, the taxable wealth of an individual who is domiciled or ordinarily resident in the State on the valuation date shall comprise all the property including cash and non-cash assets net of all liabilities, wheresoever situate, domestically or internationally, to which the accountable person is beneficially entitled in possession on that date.

(2) Subject to the provisions of this Act, the taxable wealth of an individual other than an individual who is domiciled and ordinarily resident in the State on the valuation date shall comprise only the property situate in the State to which the individual is beneficially entitled in possession on that date.

(3) Where the property to which an individual is beneficially entitled in possession includes an interest which is a limited interest, the whole or the appropriate part of the property in which the limited interest subsists or on which it is charged or secured or on which the individual is entitled to have it so charged or secured shall be property to which the individual is beneficially entitled in possession; and, if the limited interest of an individual who is domiciled and ordinarily resident in the State is an annuity or other periodic payment which is not charged or secured on any property, shall be taxable wealth of the individual:

Provided that in the case of a purchased annuity, the annuitant shall have the option of having treated for the purposes of this subsection as an annuity which is not charged or secured on any property so much of the purchased annuity as is regarded as income for the purposes of the Income Tax Acts —

(4) For the purposes of this Act—

- (a) “*the appropriate part*”, in relation to property referred to in subsection (3), means that part of the property which bears the same proportion to the entire property as the gross income of the limited interest firstly referred to in subsection (3) bears to the gross income of the entire property, and the property to which the individual is beneficially entitled in possession shall be deemed to include the appropriate part of each and every item of property comprised in the entire property
- (b) Where the property to which an individual is beneficially entitled in possession includes a reversion expectant on the determination of a limited interest, the individual shall himself be deemed to be entitled in possession to that limited interest and the provisions of this section shall apply accordingly.

Taxable wealth  
of Households

4. (1) Where an individual forms part of a household, the assets of the individual shall be aggregated with the wealth of other individuals that constitute the household and where the combined wealth of the household therefore equates to an amount above the aforementioned threshold, shall be deemed to be one taxable unit for the purposes of this Act.

(2) Subject to the provisions of this Act, the taxable wealth of individuals whom are deemed to form a household on the valuation date shall comprise all the property including cash and non-cash assets wheresoever situate, domestically or internationally, to which the accountable person is beneficially entitled in possession on that date.

‘Household’ Means an individual or an individual who is ordinarily residing with a spouse, qualified cohabitant or civil partner and/or other dependant person(s) or minor child(ren) for whom either individual has legal responsibility for, or either individual acts as the beneficiary of a trust on behalf of, or where either individual otherwise legally administers related assets, then in such a case a household shall replace the taxable status of the



Taxable wealth  
of discretionary  
and other trusts

individual to form the household thereof.

5. — (1) (a) The taxable wealth of a discretionary or other trust on a valuation date shall include all the property situate in the State which is comprised in the trust on the valuation date.

(b) The taxable wealth of a discretionary or other trust on a valuation date shall also include any property situate outside the State which is comprised in the trust on the valuation date in any case where—

(i) the settlor is living and is domiciled and ordinarily resident in the State on that date,

(ii) the settlor was domiciled and ordinarily resident in the State when the trust was established,

(iii) if the trust was created by will, the settlor was domiciled in the State at the date of his death, or

(iv) the principal objects under the trust are domiciled and ordinarily resident in the State on that valuation date.

(2) Where the sole objects under a discretionary or other trust are a child or children or other dependant persons, for the purposes of a household, the property comprised in the trust, shall be deemed to form part of the taxable wealth of the household and in lieu of subsection (1), shall apply to such property.

(3) In this section—

“object”, in relation to a discretionary or other trust, means a person for whose benefit the income or capital, or any part of the income or capital, of the trust property is applied, or may, at any time, be applied;

“principal objects”, in relation to a discretionary or other trust, means such objects of the trust as are living on the relevant valuation date and are related in the same degree of consanguinity to the settlor (being a degree of consanguinity to the settlor nearer than that of any other objects of the trust living on that date) and, if there are no objects of the trust on that date who are so related to the settlor, means all the objects of the trust living on that date, and—

(a) where a body of persons is the object or among the objects of the trust, the members of such body of persons shall be deemed to be objects of the trust, and

(b) for the purposes of this definition—

(i) the spouse of the settlor shall be deemed to be of the same degree of consanguinity to the settlor as the children of the settlor and the spouse of a

person shall be deemed to be of the same degree of consanguinity to the settlor as the person,

(ii) “body of persons” means any body politic, corporate or collegiate and any company, partnership, fraternity, fellowship and society of persons, whether corporate or not corporate;

“settlor”, in relation to a discretionary trust, includes a person by whom property comprised in the trust was provided and a person shall be deemed to have provided the property comprised in the trust if he has provided it directly or indirectly and in particular (but without prejudice to the generality of the foregoing) if he has provided or undertaken to provide property directly or indirectly for the purposes of the trust, or has made with any other person a reciprocal arrangement for that person to provide property for the purposes of the trust and, in any case where there is more than one settlor, each shall be deemed to be a settlor to the extent that he has so provided the property comprised in the trust and a trust shall be deemed to be established as and when and to the extent that property is so provided by a settlor.

‘*other trusts*’ include all categories of trusts, whether Irish or foreign, and special purpose vehicles, entities, arrangements, agreements or rights including, but not limited to, trusts, trust enterprises, foundations, establishments, offshore companies, nominee entities, employee / director benefit trusts and incentive plans, investment schemes / funds and investment partnerships and with the exclusion of charitable trusts.

Exemptions of  
certain property

6.—(1) Tax shall not be payable in respect of the following --

(a) The first 20% of the value of a dwelling house, or part of a dwelling-house, to which, on the relevant valuation date, an individual is beneficially entitled in possession and which is occupied by him as his only or principal residence, and land which that individual has for his own occupation and enjoyment with that residence, as its garden or grounds, up to an area (exclusive of the site of the dwelling-house) of one acre:

(b) furniture and household effects, being the normal contents of a dwelling-house, or part of a dwelling-house, to which paragraph (a) applies;

(c) business assets including land, buildings, machinery that are in use for the purposes of or have the effect of generating and sustaining employment and shares in private trading companies.

(d) all working farmland located within the state where such land is wholly or mainly occupied for the purposes of husbandry, including normal farming, market gardening, horse breeding, cattle dealing, fruit growing and any other form of husbandry, intensive or otherwise, which involves the use of the land or its produce, and including any building on the land, used for the purpose of farming that land, other than a building or part of a building

used as a dwelling.

(e) livestock and bloodstock to which a person who is a farmer is beneficially entitled in possession;

(f) Pension funds

(g) Funds from personal injury claims

(h) pictures, prints, books, manuscripts, works of art, jewellery, scientific collections or other things not held for the purposes of trading—

(i) which, on a claim being made to the Commissioners, appear to them to be of national, scientific, historic or artistic interest and,

(ii) which are kept permanently in the State except for such temporary absences outside the State as are approved of by the Commissioners, and

(iii) in respect of which facilities for viewing are allowed to members of the public without charge for a minimum number of days to be specified by the Minister;

(i) Property that is comprised in a discretionary or other trust, or is in the beneficial ownership of an individual, company or other assessable person with the purpose of being a trust or company that was established or incorporated exclusively for charitable purposes.

(j) gardens situate in the State—

(i) which, on a claim being made to the Commissioners, appear to them to be of national, scientific, historic or artistic interest, and

(ii) in respect of which reasonable facilities for viewing are allowed to members of the public without charge;

(k) trees or underwood growing on land in the State and in the same beneficial ownership as the land;

(l) the right to receive any benefit or periodic payment under the Social Welfare Acts, 1952 to 2012;

(2) Notwithstanding anything contained in subsection (1), such particulars and information in relation to the property referred to in that subsection shall be furnished to the Commissioners as would be required if such property formed part of the taxable wealth of the assessable person.

(3) Notwithstanding anything contained in subsection (1), if it is the opinion of the Commissioners that exemptions are being sought on property for the express purpose of evading or avoiding liability to the Wealth Tax, the



Commissioners may refuse to grant the exemption whereby such property will then be subject to the tax.

Market value of property

(4) Notwithstanding anything contained in subsection (1)(c) if on or after the date of the publication of this Bill shares in a public company are delisted and the company re-designated as a private company and it is the view of the Commissioners that this re-designation was solely for the purposes of evading payment of or reducing a liability under the Wealth Tax, the Commissioners may continue to treat the shares in this company as public shares and include them in the assessment for liability of the Wealth Tax.

7.—(1) In this Act, subject to the other provisions thereof, the market value of any property shall be estimated to be the price which, in the opinion of the Commissioners, such property would fetch if sold in the open market on the valuation date in such manner and subject to such conditions as might reasonably be calculated to obtain for the vendor the best price for the property.

(2) In estimating the market value of any property, the Commissioners shall fix the price of the property according to the market price on the relevant valuation date and shall not make any reduction in the estimate on account of the estimate being made on the assumption that the whole property is to be placed on the market at one and the same time.

(3) The market value of any property shall be ascertained by the Commissioners in such manner and by such means as they think fit and they may authorise a person to inspect any property and report to them the value thereof for the purposes of this Act.

Market value of shares in public trading companies

(4) Where the Commissioners require a valuation to be made by a person named by them, the costs of such valuation shall be defrayed by the Commissioners.

Values to be agreed or determined

8. (1) Where there are included in the taxable wealth of an assessable person on a valuation date shares in a public company, the market value of each share shall be ascertained by the Commissioners and shall be held to be assessable wealth for the purposes of this tax.

9.—(1) Where an accountable person has furnished all the information necessary to enable the Commissioners to ascertain the market value of real property or of shares which are not dealt in on a stock exchange comprised in the taxable wealth of an assessable person on a valuation date and, pursuant to an application in writing to the Commissioners in that behalf, the market value of such property on that valuation date is agreed on between the person and the Commissioners, the value so agreed on shall be treated for the purposes of this Act as the market value of such property in the hands of that assessable person on that valuation date provided that the market value so agreed shall not be binding in any case where there is failure to disclose material facts in relation to any part of the taxable wealth of the

assessable person

Payment of tax  
and interest on  
tax.

10.—(1) Tax shall be due and payable on 31<sup>st</sup> October annually.

(2) Simple interest at the rate of 0.0032 per cent. per month or part of a month, without any deduction of income tax, shall be payable upon tax from the due date upon which it becomes due and payable until the date of payment and shall be chargeable and recoverable in the same manner as if it were part of the tax:

(3) A payment on account of tax shall be applied—

(a) if there is interest due on tax at the date of the payment, to the discharge, so far as may be, of the interest so due; and

(b) if there is any balance of that payment remaining, to the discharge of so much tax as is equal to that balance.

(5) All sums due under the provisions of this Act shall be paid to the Accountant-General, Revenue Commissioners, Dublin, 2.

Receipts and  
certificates.

11.—(1) When any amount in respect of tax is paid, the Commissioners shall give a receipt for the payment.

(2) The Commissioners shall, on application to them by a person who has paid tax in respect of any property comprised in any return, additional return or assessment, give a certificate to the person, in such form as they think fit, of the amount of tax paid by him in respect of that property.

Inability to pay  
and deferred  
payment

12.—(1) In any case in which an assessable person who has a liability under the terms of this act shows, to the satisfaction of the Commissioners, that they have a genuine inability to pay the tax on the relevant due date, the Commissioners may make an arrangement for a deferred payment.

(2) In any case in which an assessable person who has a liability under the terms of this act shows, to the satisfaction of the Commissioners, that they have a genuine inability to pay the tax on the relevant due date and where it is proved to the satisfaction of the Commissioners that 90% of the accessible persons wealth is comprised of their principle private residence the Commissioners may exclude that portion of their accessible wealth for the purposes of determining liability for the wealth tax.

Overpayment of  
tax.

13.—(1) Where it is proved to the satisfaction of the Commissioners that the amount of tax or interest paid in respect of the taxable wealth of an assessable person on a valuation date exceeds the amount which that person was liable to pay, they shall repay the excess to the person who paid the excess, his nominee or personal representative or, at the option of the Commissioners, the excess, or such part of it as is required for that purpose, may be retained by them and set off against any liability of the assessable person in respect of tax or interest due and payable by the person who paid the excess at the time the repayment falls to be made, in respect of the

taxable wealth of the assessable person on any other valuation date.

Appeals in  
relation to value  
of real property.

14.—(1) If a person is aggrieved by a decision of the Commissioners as to the market value of any real property they may appeal against the decision to the Commissioners in writing providing evidence in support of their appeal. The Commissioners must within 30 days of receiving the appeal write to the appellant outlining their response and providing the basis for their determination on the matter of the appeal.

(2) A determination by virtue of the said section 33, on an appeal under this section, of the market value of any real property, or a share in any such property, on a valuation date, shall be binding on all accountable persons for the purposes of tax in respect of the value of that property or share comprised in the taxable wealth of the relevant assessable person on that date.

Recovery of tax.

15.—Every sum due to the Commissioners in respect of tax or interest thereon and also every penalty incurred in connection with tax or interest thereon shall be deemed to be a debt due by an accountable person or his personal representative to the Minister for Finance for the benefit of the Central Fund and shall be payable to the Commissioners and may (without prejudice to any other mode of recovery thereof) be sued for and recovered by action, or other appropriate proceeding, at the suit of the Attorney-General, the Minister for Finance or the Commissioners in any court of competent jurisdiction.

Penalties

<sup>7</sup> 16.—(1) (a) A person who fails to comply with a requirement under this act may be liable to a penalty of up to 10 per cent of the value of the wealth tax liability to be determined by the Commissioners.

(b) Where the contravention or failure referred to in paragraph (a) continues after judgement has been given by the court before which proceedings for the penalty have been commenced, the person concerned may be liable to a further penalty of up to an additional 10 per cent of the value of the wealth tax liability to be determined by the Commissioners for each day on which the contravention or failure so continues.

(2) Where, under or for the purposes of any of the provisions of this Act, a person is authorised to inspect any property for the purpose of reporting to the Commissioners the market value thereof and the person having custody or possession of that property prevents such inspection or obstructs the person so authorised in the performance of his functions in relation to the inspection, the person having such custody or possession shall be liable to a penalty of up to 10 per cent of the value of the wealth tax liability to be determined by the Commissioners .

(3) Where an accountable person fraudulently or negligently—

(a) delivers any incorrect return or additional return,

(b) makes or furnishes any incorrect statement, declaration, evidence or



- (b) makes or furnishes any incorrect statement, declaration, evidence or valuation in connection with any property comprised in the taxable wealth of an assessable person,
- (c) makes or furnishes any incorrect statement, declaration, evidence or valuation in connection with any claim for any allowance, deduction, exemption or relief, or
- (d) makes or furnishes any incorrect statement, declaration, evidence or valuation in connection with any other matter,

whereby the amount of tax payable in respect of the taxable wealth of an assessable person is less than it would have been if that return, statement, declaration, evidence or valuation had been correct, he shall be liable to a penalty of up to 100 per cent of the value of the wealth tax liability to be determined by the Commissioners

(4) Where any such return, statement, declaration, evidence or valuation as is mentioned in subsection (3) was delivered, made or furnished neither fraudulently nor negligently by a person and it comes to his notice that it was incorrect, then, unless the error is remedied without unreasonable delay, such matter shall be treated, for the purposes of this section, as having been negligently done by him.

(5) The difference referred to in subsection (3) is the difference between—

- (a) the amount of tax payable in respect of the taxable wealth of the assessable person for the valuation dates to which the return, additional return, statement, declaration, evidence or valuation relates, and
- (b) the amount which would have been the amount so payable if the return, additional return, statement, declaration evidence or valuation as made or submitted by him had been correct.

(6) For the purposes of subsection (3), where anything referred to in that subsection is delivered, made or furnished on behalf of a person, it shall be deemed to have been delivered, made or furnished by that person unless he proves that it was done without his knowledge and consent.

(7) Any person who assists in or induces the delivery, making or furnishing for any purposes of tax of any return, additional return, statement, declaration, evidence or valuation which he knows to be incorrect shall be liable to a penalty of up to 100 per cent of the value of the wealth tax liability to be determined by the Commissioners.

(8) The provisions of this section shall not affect any criminal proceedings.

Regulations.

17.—(1) The Minister shall make such regulations as seem to them to be necessary for the purpose of giving effect to this Act and of enabling them to discharge their functions thereunder.

(2) Every regulation made under this section shall be laid before Dáil Éireann as soon as may be after it is made and, if a resolution annulling the regulation is passed by Dáil Éireann within the next twenty-one days on which Dáil Éireann has sat after the regulation is laid before it, the regulation shall be annulled accordingly, but without prejudice to the validity of anything previously done thereunder.

Care and  
management.

18.—(1) Tax is hereby placed under the care and management of the Commissioners.

(2) The Commissioners may authorise any of their officers to perform any act and discharge any function authorised by this Act to be performed or discharged by the Commissioners.

Short title.

19.—This Act may be cited as the Wealth Tax Act, 2012.