

Irish Taxation Institute Says Lisbon Will Not Interfere with National Tax Policy

Issued 31 July 2009. The Irish Taxation Institute today stated the Lisbon Treaty will not interfere with national tax policy. The Institute, which represents over 5,000 of the country's leading tax advisers, stated that the re-negotiated Lisbon Treaty that will be put before the Irish people in a referendum on 2nd October will not interfere in any way with Ireland's national taxation policies, including the key 12.5% corporation tax rate.

"The Treaty that will be put to a vote by the Irish people later this year does not affect our ability to set our own tax policy." said Jim Ryan, President of the Irish Taxation Institute. "The re-negotiated Treaty includes a specific guarantee on taxation. This new guarantee is crystal clear in stating that nothing in the Lisbon Treaty makes any change to the EU's competence with respect to taxation and, in particular, the right of Member States to set their own corporation tax rates. This position is further confirmed by decisions of the European Court of Justice. A subsequent Treaty revision would be required to alter this position, which would undoubtedly require approval of the electorate in a referendum."

"During last year's Lisbon referendum, there was much controversy and confusion in relation to Ireland's tax veto, and the Irish Taxation Institute carried out detailed analysis of the Treaty in respect of its impact on taxation which determined that the veto was unaffected by the Treaty. The specific guarantees obtained by the Irish Government in advance of the second referendum further consolidate that position. In relation to taxation, Ireland has nothing to fear from the Lisbon Treaty."

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