



21 November 2008

Mr Brian Lenihan TD
Minister for Finance
Department of Finance
Government Buildings
Upper Merrion Street
Dublin 2

Re: Finance (No. 2) Bill 2008 As Initiated

Dear Minister

The Irish Taxation Institute has publicly welcomed measures introduced in the Finance (No. 2) Bill 2008 designed to stimulate economic activity. In particular, we have welcomed the major reform of the tax incentive for research and development activity as well as the tax exemption for start up trades. The Institute fully recognises the extremely serious economic challenges our country faces and the need for a fiscal policy to restore stability to the public finances while ensuring that Ireland remains an attractive place to do business.

It is important that sufficient time is given to the business sector to make all necessary preparations to meet the additional compliance obligations placed upon them by the Bill. This particularly includes the administration of the new income levy and the car park levy. We would recommend that appropriate reviews are put in place to ensure that the costs of compliance in respect of the car park levy are appropriate in the context of its yield for the exchequer.

Legislative Measures Regarding Revenue Audit Programme

The Bill contains major legislative proposals regarding the conduct of Revenue Audits and the imposition of civil penalties. We understand that the enactment of these measures will effectively displace the existing code of practice for the conduct of Revenue Audits. The Institute believes that urgent clarification of the impact of these proposals for bona fide taxpayers and their advisers is required. We would be most grateful to have the opportunity to meet with you and your officials to discuss these measures. We are very mindful, in making this request, of the extremely short time frame before the Committee stage of the Bill as well as other extremely pressing demands on your time.

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However, at a time when the business sector is experiencing extreme cash flow difficulties and commercial pressures we believe it is important that the accepted practices in the conduct of Revenue Audits and the protections currently available to bona fide taxpayers are maintained.

We look forward to working constructively with your Department on these and related matters.

Kind regards

Yours sincerely

A handwritten signature in black ink, appearing to read "Jim Ryan". The signature is fluid and cursive, with a large initial "J" and "R".

Jim Ryan
President