

# Newsalert

## International Tax Services – Europe

Ireland

September 10, 2009

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Solicitation

### Ireland's Commission on Taxation report reinforces Ireland's low corporate tax regime

The Commission on Taxation report, published on September 7, 2009, contains over 240 recommendations which could have a significant impact on various aspects of the Irish tax system if implemented as proposed. Of particular importance for foreign investors is the underlying commitment to a low corporate tax regime, with the 12.5% tax rate having been guaranteed by the Irish Government in setting the Commission's terms of reference.

#### Overview

The Commission on Taxation was established as an independent group by the Irish Government in February 2008 to review the structure, efficiency and appropriateness of the Irish taxation system. The report is intended to help establish the framework within which tax policy would be set for the next decade at least.

It is important to note that the recommendations are not legislative proposals; rather they are recommendations from the Commission for consideration by Government. There is an expectation that many of the proposals will be accepted and implemented - some perhaps as early as in the December 2009 Budget.

The report recommends that some key elements of Ireland's existing tax framework be re-enforced. For example, the Commission recognizes the Government's commitment to the 12.5% corporation tax rate and recommends that a low stable corporation tax rate should remain a key feature of Irish tax policy. The report also asserts that any new taxes should reduce the existing tax burden, particularly the burden on labor.

#### Key recommendations

The following is a brief summary of some of the main Commission recommendations which are likely to be of particular relevance for foreign investors with existing or proposed Irish investments.

