

# **Budget 2010**

## **FINANCIAL RESOLUTION No. 1**

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### ***EXCISE***

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#### *Alcohol Products Tax*

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(1) THAT for the purposes of the tax charged by virtue of section 75 of the Finance Act 2003 (No. 3 of 2003), that Act be amended, with effect as on and from 10 December 2009, by substituting the following for Schedule 2 to that Act (as amended by section 50 of the Finance (No. 2) Act 2008 (No. 25 of 2008)):

“SCHEDULE 2

Rates of Alcohol Products Tax

<u>Description of Product</u>	<u>Rate of Tax</u>
<i>Spirits:</i>	€ 31.13 per litre of alcohol in the spirits
<i>Beer:</i>	
Exceeding 0.5% vol but not exceeding 1.2% vol	€ 0.00
Exceeding 1.2% vol but not exceeding 2.8% vol	€ 7.85 per hectolitre per cent of alcohol in the beer
Exceeding 2.8% vol	€ 15.71 per hectolitre per cent of alcohol in the beer
<i>Wine:</i>	
Still and sparkling, not exceeding 5.5% vol	€ 87.39 per hectolitre
Still, exceeding 5.5% vol but not exceeding 15% vol	€ 262.24 per hectolitre
Still, exceeding 15% vol	€ 380.52 per hectolitre
Sparkling, exceeding 5.5% vol	€ 524.48 per hectolitre
<i>Other Fermented Beverages:</i>	
(1) <i>Cider and Perry:</i>	
Still and sparkling, not exceeding 2.8% vol	€ 32.93 per hectolitre
Still and sparkling, exceeding 2.8% vol but not exceeding 6.0% vol	€ 65.86 per hectolitre
Still and sparkling, exceeding 6.0% vol but not exceeding 8.5% vol	€ 152.28 per hectolitre
Still, exceeding 8.5% vol	€ 216.00 per hectolitre
Sparkling, exceeding 8.5% vol	€ 432.01 per hectolitre
(2) <i>Other than Cider and Perry:</i>	
Still and sparkling, not exceeding 5.5% vol	€ 87.39 per hectolitre
Still, exceeding 5.5% vol	€ 262.24 per hectolitre
Sparkling, exceeding 5.5% vol	€ 524.48 per hectolitre
<i>Intermediate Beverages:</i>	
Still, not exceeding 15% vol	€ 262.24 per hectolitre
Still, exceeding 15% vol	€ 380.52 per hectolitre
Sparkling	€ 524.48 per hectolitre

(2) It is hereby declared that it is expedient in the public interest that this Resolution shall have statutory effect under the provisions of the Provisional Collection of Taxes Act 1927 (No. 7 of 1927).

Financial Resolution No: 2

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**EXCISE**

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*Mineral Oil Tax*

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(1) THAT the Finance Act 1999 (No. 2 of 1999) be amended with effect as on and from 10 December 2009—

- (a) for the purposes of the tax charged by virtue of section 95 of that Act, by substituting the following for Schedule 2 to that Act (as amended by section 15(a) of the Finance Act 2009 (No. 12 of 2009)):

“SCHEDULE 2

RATES OF MINERAL OIL TAX

Description of Mineral Oil	Rate of Tax
<i>Light Oil:</i> Petrol Aviation gasoline	€543.17 per 1,000 litres €543.17 per 1,000 litres
<i>Heavy Oil:</i> Used as a propellant Used for air navigation Used for private pleasure navigation Kerosene used other than as a propellant Fuel oil Other heavy oil	€449.18 per 1,000 litres €449.18 per 1,000 litres €449.18 per 1,000 litres €00.00 €14.78 per 1,000 litres €47.36 per 1,000 litres
<i>Liquefied Petroleum Gas:</i> Used as a propellant Other liquefied petroleum gas	€63.59 per 1,000 litres €00.00
<i>Coal:</i> For business use For other use	€4.18 per tonne €8.36 per tonne

(b) by inserting the following after Schedule 2:

“SCHEDULE 2A

CARBON CHARGE

Description of Mineral Oil	Rate
<i>Light Oil:</i> Petrol Aviation gasoline	€34.38 per 1,000 litres €34.38 per 1,000 litres
<i>Heavy Oil:</i> Used as a propellant Used for air navigation Used for private pleasure navigation	€39.98 per 1,000 litres €39.98 per 1,000 litres €39.98 per 1,000 litres

”

(c) in section 96 —

(i) by inserting the following after subsection (1):

“(1A) Where a rate is specified in Schedule 2A for any description of mineral oil, that rate, referred to in this Chapter as the “carbon charge”, is included in the rate of tax specified in Schedule 2 for that description of mineral oil.”,

(ii) by inserting the following after subsection (4):

“(5) The Commissioners may, subject to such conditions for securing the mineral oil tax as they may prescribe or otherwise impose, permit payment of the carbon charge to be deferred to a day not later than the 15<sup>th</sup> day of the month succeeding the month in which the mineral oil tax is payable.”,

and

(d) in section 100, by inserting the following after subsection (1):

“(IA) (a) Without prejudice to any other relief that may apply and subject to subsection (b), a relief from the carbon charge shall apply to biofuel.

(b) Where biofuel has been mixed or blended with any other mineral oil, the relief under paragraph (a) shall only apply where the biofuel content of the mixture or blend exceeds 10% of the total volume of the mixture or blend.”.

(2) IT is hereby declared that it is expedient in the public interest that this Resolution shall have statutory effect under the provisions of the Provisional Collection of Taxes Act 1927 (No. 7 of 1927).

### **Financial Resolution No: 3**

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#### VALUE-ADDED TAX

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- (1) THAT the rate of value-added tax on the supply of certain goods and services at present chargeable at the rate of 21.5 per cent be decreased to 21 per cent of the amount on which tax is chargeable in relation to the supply of such goods and services, and that, accordingly, subsection (1) (inserted by the Finance Act 1992 (No. 9 of 1992)) of section 11 of the Value-Added Tax Act 1972 (No. 22 of 1972), be amended in paragraph (a) by substituting “21 per cent” for “21.5 per cent” (inserted by the Finance (No. 2) Act 2008 (No. 25 of 2008)).
- (2) THAT this Resolution shall have effect as on and from 1 January 2010.
- (3) IT is hereby declared that it is expedient in the public interest that this Resolution shall have statutory effect under the provisions of the Provisional Collection of Taxes Act 1927 (No. 7 of 1927).

## **Financial Resolution No: 4**

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### **VALUE-ADDED TAX**

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- (1) THAT the Value-Added Tax Act 1972 (No. 22 of 1972) be amended—
- (a) in section 1—
- (i) by inserting the following definition after the definition of “assignment”:
- “‘auction scheme’ has the meaning assigned to it by section 10B”,
- and
- (ii) in paragraph (b) of the definition of ‘taxable dealer’, by substituting “including a means of transport and agricultural machinery” for “other than a means of transport”,
- (b) in section 10A—
- (i) in subsection (1), in the definition of ‘second-hand goods’, by substituting “including means of transport (within the meaning of section 12B) and agricultural machinery (within the meaning of section 12C), purchased or acquired on or after 1 January 2010, but not including” for “other than means of transport, agricultural machinery (within the meaning of section 12C),”, and
- (ii) in subsection (13), by inserting “However, where an accountable person acquires a means of transport to which the margin scheme has been applied and that person subsequently supplies that means of transport, the provisions of this subsection shall not apply to that supply but the provisions of section 12B(10) shall apply to that supply.” after “that supply.”,

(c) in section 10B(10), by inserting “However, where an accountable person acquires a means of transport to which the auction scheme has been applied and that person subsequently supplies that means of transport, the provisions of this subsection shall not apply to that supply but the provisions of section 12B(10) shall apply to that supply.” after “that supply.”,

(d) in section 12B—

(i) by deleting the proviso to subsection (4), and

(ii) by inserting the following subsections after subsection (11)—

“(12) (a) Subject to paragraph (b), where a taxable dealer purchases or acquires a means of transport referred to in subsection (2) in the period from 1 January 2010 to 30 June 2010 (in this subsection referred to as the ‘transitional period’) the amount of residual tax referred to in subsection (4) which that taxable dealer is entitled to deduct shall be restricted to—

(i) 40 per cent of the residual tax in the case of a means of transport purchased or acquired in the taxable period beginning on 1 January 2010,

(ii) 30 per cent of the residual tax in the case of a means of transport purchased or acquired in the taxable period beginning on 1 March 2010, and

(iii) 20 per cent of the residual tax in the case of a means of transport purchased or acquired in the taxable period beginning on 1 May 2010.

(b) The entitlement to restricted residual tax as provided for in paragraph (a) applies only on the occasion of the first purchase or acquisition by a taxable dealer of a means of transport referred to in subsection (2) which occurs on or after 1 January 2010, and does not apply to any



subsequent purchase or acquisition of that means of transport by that or any other taxable dealer.

- (c) Where a taxable dealer purchased or acquired a means of transport referred to in subsection (2) prior to 1 January 2010 and during the transitional period supplies that means of transport to another taxable dealer, the supplier shall indicate on the invoice in respect of that supply that the special scheme as provided for by this section has been applied and that restricted residual tax only is applicable.
- (d) Where a taxable dealer purchased or acquired a means of transport referred to in subsection (2) prior to 1 January 2010 and during the transitional period supplies that means of transport to a taxable person other than another taxable dealer, the supplier shall indicate on the invoice in respect of that supply that the special scheme as provided for by this section has been applied and that the invoice does not give the right to deduct the tax chargeable on that supply.
- (e) Where a taxable dealer opts to apply the margin scheme or applies the auction scheme to the supply of a means of transport referred to in subsection (2) which that dealer purchased or acquired on or after 1 January 2010, the supplier shall indicate on the invoice in respect of that supply that the margin scheme or the auction scheme, as appropriate, has been applied and no residual tax is applicable.
- (f) Where during the transitional period a taxable dealer purchases or acquires a means of transport referred to in subsection (2) from a person other than another taxable dealer—

- (i) the taxable dealer shall take all reasonable steps to establish whether or not the means of transport was acquired during the transitional period by that person from another taxable dealer (in this paragraph referred to as a ‘motor trader’), and
- (ii) if that person acquired the means of transport from a motor trader during the transitional period, the taxable dealer shall take all reasonable steps to establish whether or not restricted residual tax as provided for in paragraph (a) was deductible by that motor trader or any other taxable dealer in relation to the means of transport.

(13) This section does not apply to a means of transport purchased or acquired on or after 1 July 2010.”,

(e) in section 12C—

(i) by deleting subsection (4), and

(ii) by inserting the following subsections after subsection (5):

“(6) (a) Subject to paragraph (b), where a taxable dealer purchases or acquires from a flat-rate farmer or a person referred to in subsection (1A) agricultural machinery in the period from 1 January 2010 to 30 June 2010 (in this subsection referred to as the ‘transitional period’) the amount of residual tax referred to in subsection (3) which that taxable dealer is entitled to deduct shall be restricted to—

- (i) 40 per cent of the residual tax in the case of agricultural machinery purchased or acquired in the taxable period beginning on 1 January 2010,
- (ii) 30 per cent of the residual tax in the case of agricultural machinery purchased or acquired in the taxable period beginning on 1 March 2010, and

- (iii) 20 per cent of the residual tax in the case of agricultural machinery purchased or acquired in the taxable period beginning on 1 May 2010.
- (b) The entitlement to restricted residual tax as provided for in paragraph (a) applies only on the occasion of the first purchase or acquisition by a taxable dealer of agricultural machinery which occurs on or after 1 January 2010, and does not apply to any subsequent purchase or acquisition of that agricultural machinery by that or any other taxable dealer.
- (c) Where during the transitional period a taxable dealer purchases or acquires agricultural machinery from a flat-rate farmer or a person referred to in subsection (1A)—
  - (i) the taxable dealer shall take all reasonable steps to establish whether or not the agricultural machinery was acquired in the transitional period by that flat-rate farmer or that person from another taxable dealer (in this paragraph referred to as an ‘agricultural machinery trader’), and
  - (ii) if that flat-rate farmer or that person acquired the means of transport from an agricultural machinery trader during the transitional period, the taxable dealer shall take all reasonable steps to establish whether or not restricted residual tax as provided for in paragraph (a) was deductible by that agricultural machinery trader or any other taxable dealer in relation to the agricultural machinery.

(7) This section does not apply to agricultural machinery purchased or acquired on or after 1 July 2010.”,

(f) in section 16, by inserting the following subsections after subsection (5):

“ (6) Every taxable dealer to whom section 12B or 12C applies shall, in addition to records to be kept in accordance with any other provision of this section and regulations, keep a record of the following information, namely—

- (a) the name and address of each person from whom such taxable dealer purchased or acquired a means of transport or, as the case may be, agricultural machinery in the period from 1 January 2010 to 30 June 2010 in relation to which such taxable dealer deducted residual tax in accordance with section 12B or 12C, as the case may be,
  - (b) the date on which such means of transport or agricultural machinery was so purchased or acquired,
  - (c) the amount of such residual tax so deducted in relation to each such means of transport or agricultural machinery, and
  - (d) the vehicle registration number of each such means of transport or, as the case may be, details of the make, model and, where appropriate, the year of manufacture, the engine number and registration number of each such agricultural machine.
- (7) A taxable dealer to whom section 12B or 12C applies, shall, on receipt of a notice in writing to that effect by an officer of the Revenue Commissioners, furnish to that officer within the time specified in the notice (which shall not be less than 21 days from the date of the notice), or to such other officer of the Revenue Commissioners as may be specified in the notice, a copy of the information required to be kept by the taxable dealer under subsection (6).”

and

- (g) in section 26, by inserting the following subsection after subsection (3B):

“(3C) A person who fails to comply with a notice issued under section 16(7) shall be liable to a penalty of €4,000.”

- (2) THAT this Resolution shall have effect as on and from 1 January 2010.
  
- (3) IT is hereby declared that it is expedient in the public interest that this Resolution shall have statutory effect under the provisions of the Provisional Collection of Taxes Act 1927 (No. 7 of 1927).

## **Financial Resolution No: 5**

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### **GENERAL**

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THAT it is expedient to amend the law relating to inland revenue (including value-added tax and excise) and to make further provision in connection with finance.