

Financial
Resolutions

FINANCIAL RESOLUTION No. 1

EXCISE

Mineral Oils

(1) THAT for the purposes of the tax charged by virtue of section 95 of the Finance Act 1999 (No. 2 of 1999), that Act is amended, with effect as on and from 8 December 2005, by substituting the following for Schedule 2 to that Act, as amended by section 64 of the Finance Act 2005 (No. 5 of 2005):

“SCHEDULE 2

Rates of Mineral Oil Tax

Description of Mineral Oil	Rate of Tax
<i>Light Oil:</i>	
Leaded petrol	€553.04 per 1,000 litres
Unleaded petrol	€442.68 per 1,000 litres
Super unleaded petrol	€547.79 per 1,000 litres
Aviation gasoline	€276.52 per 1,000 litres
<i>Heavy Oil:</i>	
Used as a propellant with a maximum sulphur content of 50 milligrammes per kilogramme	€368.05 per 1,000 litres
Other heavy oil used as a propellant	€420.44 per 1,000 litres
Kerosene used other than as a propellant	€16.00 per 1,000 litres
Fuel oil	€14.78 per 1,000 litres
Other heavy oil	€47.36 per 1,000 litres
<i>Liquefied Petroleum Gas:</i>	
Used as a propellant	€63.59 per 1,000 litres
Other liquefied petroleum gas	€10.00 per 1,000 litres
<i>Substitute Fuel:</i>	
Used as a propellant	€368.05 per 1,000 litres
Other substitute fuel	€47.36 per 1,000 litres
<i>Coal:</i>	
For business use	€4.18 per tonne
For other use	€8.36 per tonne

”

(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

INCOME TAX

(1) THAT, as respects the year of assessment 2006 and subsequent years of assessment, the Taxes Consolidation Act 1997 (No. 39 of 1997) be amended in subsection (2) of section 18 by substituting the following for paragraph (f) of Case III of Schedule D:

"(f) income arising from possessions outside the State except, in the case of income from an office or employment (including any amount which would be chargeable to tax in respect of any sum received or benefit derived from the office or employment if the profits or gains from the office or employment were chargeable to tax under Schedule E), so much of that income as is attributable to the performance in the State of the duties of that office or employment;"

(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

INCOME TAX

(1) THAT section 248 of the Taxes Consolidation Act 1997 (No. 39 of 1997) be amended—

(a) in subsection (1)(a), by substituting, as respects a loan which is made after 7 December 2005, the following for subparagraph (i):

“(i) a company which exists wholly or mainly for the purpose of carrying on a trade or trades, or”,

and

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

“(1A) Subsection (1)(c) shall not apply to a loan made after 7 December 2005 which is applied in paying off another loan applied in acquiring ordinary share capital in, or making a loan to, a company whose income consists wholly or mainly of profits or gains chargeable under Case V of Schedule D unless –

(a) the loan does not exceed the balance outstanding on, and

(b) the term of the loan does not exceed the balance of the term of,

the loan being paid off.”.

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

FINANCIAL RESOLUTION No. 4

INCOME TAX

(1) THAT, as respects the year of assessment 2005 and subsequent years of assessment, Part 30 of the Taxes Consolidation Act 1997 (No. 39 of 1997) be amended by inserting, in Chapter 4, the following after section 790A:

“Taxation of lump sum payments in excess of the lump sum limit.

790AA.- (1)(a) In this section -

‘administrator’, in relation to a relevant pension arrangement, means the person or persons having the management of the arrangement, and in particular, but without prejudice to the generality of the foregoing, references to the administrator of a relevant pension arrangement include-

(i) an administrator, within the meaning of section 770(1),

(ii) a person mentioned in section 784, lawfully carrying on the business of granting annuities on human life, including the person mentioned in section 784(4A)(ii), and

(iii) a PRSA administrator, within the meaning of section 787A(1);

‘excess lump sum’ has the meaning assigned to it by paragraph (d);

‘lump sum limit’ means €1,250,000;

‘relevant pension arrangement’ means any one or more of the following-

- (i) a retirement benefits scheme, within the meaning of section 771, for the time being approved by the Revenue Commissioners for the purposes of Chapter 1,
- (ii) an annuity contract or a trust scheme or part of a trust scheme for the time being approved by the Revenue Commissioners under section 784,
- (iii) a PRSA contract, within the meaning of section 787A, in respect of a PRSA product, within the meaning of that section,
- (iv) a qualifying overseas pension plan within the meaning of Chapter 2B,
- (v) a public service pension scheme within the meaning of section 1 of the Public Service Superannuation (Miscellaneous Provisions) Act 2004 (No. 7 of 2004),
- (vi) a statutory scheme, within the meaning of section 770(1), other than a public service pension scheme referred to in paragraph (v);

‘specified date’ means 7 December 2005.

(b) (i) For the purposes of this section, a reference to a lump sum is a reference to a lump sum that is paid to an individual under the rules of a relevant pension arrangement by means of commutation of part of a pension or of part of an annuity or otherwise.

(ii) Without prejudice to the generality of subparagraph (i), the reference in that subparagraph to the commutation of part of a pension or of part of an annuity, shall, in a case where an individual opts in accordance with section 772(3A) or, as the case may be, section 784(2A), be construed as a reference to the commutation of part of the pension or, as the case may be, part of the annuity which would, but for the exercise of that option, be payable to the individual.

(c) For the purposes of this section, references to a lump sum that is paid to an individual include references to a lump sum that is obtained by, or given or made available to, an individual and references to a lump sum which was, or has, or had been paid to an individual shall be construed accordingly.

(d) For the purposes of this section, the excess lump sum, if any, in respect of a lump sum that is paid to an individual on or after the specified date (in this paragraph referred to as the “current lump sum”) shall be-

(i) where no other lump sum has been paid to the individual on or after the specified date, the amount by which the current

lump sum exceeds the lump sum limit,
and

(ii) where before the current lump sum was paid, one or more lump sums had been paid to an individual, on or after the specified date (in this paragraph referred to as “the earlier lump sum”), then-

(I) where the amount of the earlier lump sum is less than the lump sum limit, the amount by which the aggregate of the amounts of the earlier lump sum and the current lump sum exceeds the lump sum limit,
and

(II) where the amount of the earlier lump sum is equal to or greater than the lump sum limit, the amount of the current lump sum.

(e) For the purposes of paragraph (d) -

(i) a lump sum (in this subparagraph referred to as the first-mentioned lump sum) shall be treated as paid before another lump sum (in this subparagraph referred to as the second-mentioned lump sum) if the first-mentioned lump sum is paid before the second-mentioned lump sum on the same day, and

(ii) a lump sum shall not be treated as paid at the same time as one or more other lump sums

and, where but for this subparagraph they would be so treated, the individual to whom the lump sums are paid shall decide on the order in which they are to be deemed to be paid.

(2) Subject to subsection (4)-

(a) where a lump sum is paid to an individual on or after the specified date, the excess lump sum, if any, shall be regarded as a payment to the individual of emoluments to which Schedule E applies, and, accordingly, the provisions of Chapter 4 of Part 42 shall apply to any such payment, and

(b) the administrator of a relevant pension arrangement shall deduct tax from the payment at the higher rate for the year of assessment in which the payment is made unless the administrator has received from the Revenue Commissioners a certificate of tax credits and standard rate cut-off point or a tax deduction card for that year in respect of the individual referred to in paragraph (a).

(3) Subsection (2) of section 787G shall apply in respect of any income tax, being income tax deducted from an excess lump sum by virtue of subsection (2) of this section, by an administrator of a relevant pension arrangement of a kind described in paragraph (iii) of the definition of relevant pension arrangement in subsection (1)(a), as it applies to income tax referred to in subsection (2) of section 787G.

(4) Where a lump sum is paid to an individual, on or after the specified date, under the rules of a relevant pension arrangement of a kind described in paragraph (iv) of the definition of relevant pension arrangement in subsection (1)(a), the excess lump sum, if any, shall be charged to tax under Case IV of Schedule D for the year of assessment in which the lump sum is paid to that individual.

(5) Subsections (2) and (4) shall not apply to a lump sum that is paid to a widow or widower, children, dependants or personal representatives of a deceased individual.

(6) Section 781 shall have effect notwithstanding the provisions of this section.”.

(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. 5

GENERAL

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.

