



Cathaoirleach
Chairman

Oifig na gCoimisinéirí Ioncaim
Caisleán Bhaile Átha Cliath
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Office of the Revenue Commissioners
Dublin Castle
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Ireland

Rep: 100479/18

03 October 2018

Mr. Paschal Donohoe TD,
Minister for Finance,
Government Offices,
Government Buildings,
Upper Merrion Street,
Dublin 2.

Dear Minister,

I am writing to you in relation to the compliance measures item included among the taxation policy changes in Budget 2017. These measures were projected at the time of the Budget (October 2016) to yield an additional €130 million to the Exchequer in 2017.

I append a paper that evaluates the yield from these measures. This analysis confirms that the estimates of yield by Revenue for the measures have been delivered and the target of €130 million exceeded. Estimates prepared on a conservative basis indicate the measures may have yielded over €210 million in the year. More detail and analysis for individual components of the measures are contained in the paper.

As you are aware, Revenue's earlier analysis of the compliance measures item in Budget 2016 (published last year) confirms that the target of €75 million for 2016 was also exceeded.

Budget 2018 also specified a number of compliance measures: Employer PAYE Compliance Project (projected yield of €50 million), eCommerce/Online Business Compliance Project (€30 million) and Tax avoidance and base erosion capacity (€20 million). It is too early to accurately assess collection under these headings for 2018. This will not be possible until after the end of the year. However, based on evidence to date, I expect the target will be met and may be exceeded. Revenue will undertake detailed analysis of the Budget 2018 measures when data are available.

Delivery of the additional yield from compliance measures required an investment to succeed. Revenue received an additional funding allocation of €5 million in Budget 2017 to increase staff resources on audit and investigation activities as well as enhancing ICT systems capacity.

Notwithstanding the success of the compliance measures, the loss of expertise and experience remains a serious challenge for Revenue. The recruitment of staff and their training and development is addressed as part of an overall workforce planning process within Revenue



and supported by the Department of Public Expenditure and Reform. The analysis shows the return on investment in audit and investigation staff increases over time and proves Revenue's strategy in this regard is delivering results.

It is our intention to publish this paper on our website on the evening of 9 October 2018 following the Budget.

We are available to discuss the analysis in the paper if required.

Yours sincerely



Niall Cody,
Chairman.