A Review of DIRT Receipts

€ **DIRT Receipts** | **€582 million in 2013** | **€64 million in 2019**

Deposit Interest Retention Tax ("DIRT") is a tax deducted by financial institutions on deposit interest paid to the accounts of Irish residents. This analysis reviews the drivers of DIRT receipts (savings, interest rates, policy measures) to evaluate the factors behind their decrease and to assess whether there is any indication of potential non-compliance.

Savings have increased but the growth arises largely from overnight deposits, which attract lower interest rates.

Interest rates have decreased significantly. The average interest rate on household overnight deposits stood at 0.04% in September 2020.

The estimated interest income for private households declined from over €1,100 million in 2013 to €90 million in 2019. As such, the indicative tax liability for private households fell from €376 million to €32 million.

The estimated interest income for private sector enterprises declined from over €297 million in 2013 to €27 million in 2019. As such, the indicative tax liability for private sector enterprises fell from €98 million to €9 million.

The analysis indicates that the rapid fall in DIRT receipts can primarily be explained by declining rates of interest on savings, as well as the composition of savings. While the estimates of DIRT liability generated from Central Bank savings and interest data do not fully explain the levels of DIRT receipts, they are not indicative of significant non-compliance issues. This evaluation offers assurance to Revenue that there is not widespread underpayment of DIRT occurring.

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1 Introduction

Deposit Interest Retention Tax ("DIRT") is a tax deducted by financial institutions on deposit interest paid to the accounts of Irish residents. The basic rate in 2020 is 33%. DIRT is deducted at source by deposit takers (e.g., banks, building societies, Credit Unions, Post Office Savings Bank, etc.). DIRT is a final liability for Income Tax purposes.

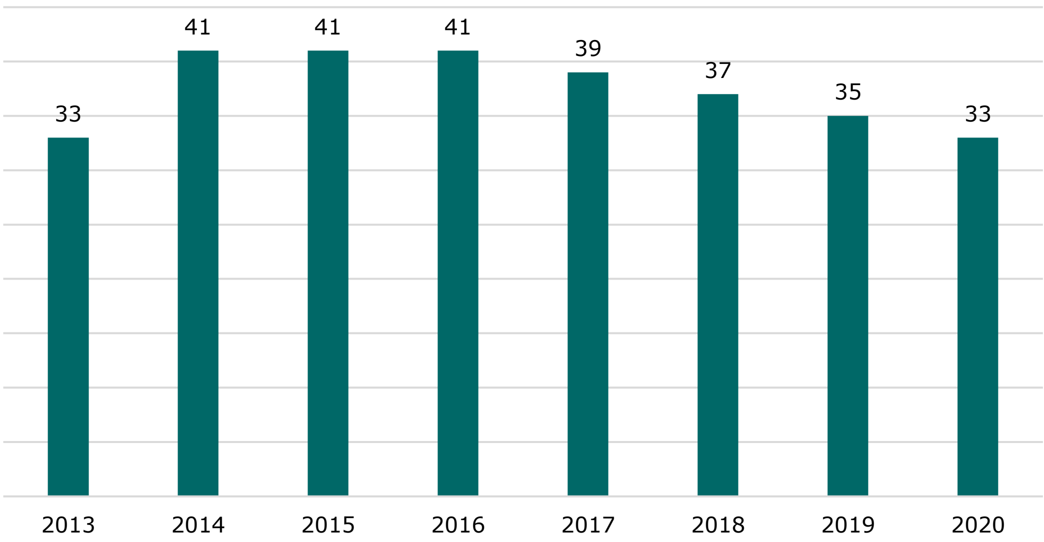
There are several instances where people are exempt from paying DIRT on their deposit interest income. These include those who are over 65 and those who are permanently incapacitated due to a mental or physical illness. DIRT is also not charged on interest from the accounts of charities, companies who pay Corporation Tax and those with a Revenue-approved pension scheme.

DIRT receipts have fallen substantially over the past seven years. In 2013, DIRT receipts were over half a billion euro (€582 million). By contrast, just over €60 million was collected in 2019 and receipts in 2020 are unlikely to exceed €40 million. This analysis reviews the drivers of DIRT receipts to evaluate the factors behind this decrease and to assess whether there is any indication of potential non-compliance.

2 DIRT Rate

In 2013, the DIRT rate was 33%, the same as in 2020. In 2014, it was increased to 41%. The rationale behind increasing the tax rate was to raise revenue and to encourage consumer spending to boost economic activity. As consumer expenditure increased over time, it was decided to lower the DIRT rate to encourage saving and improve the return for savers. It was announced in Budget 2017 that the DIRT rate would decrease by 2 percentage points each year from 2018 to 2020 until it returned to 33%.

Figure 1: DIRT Rate (Per Cent)

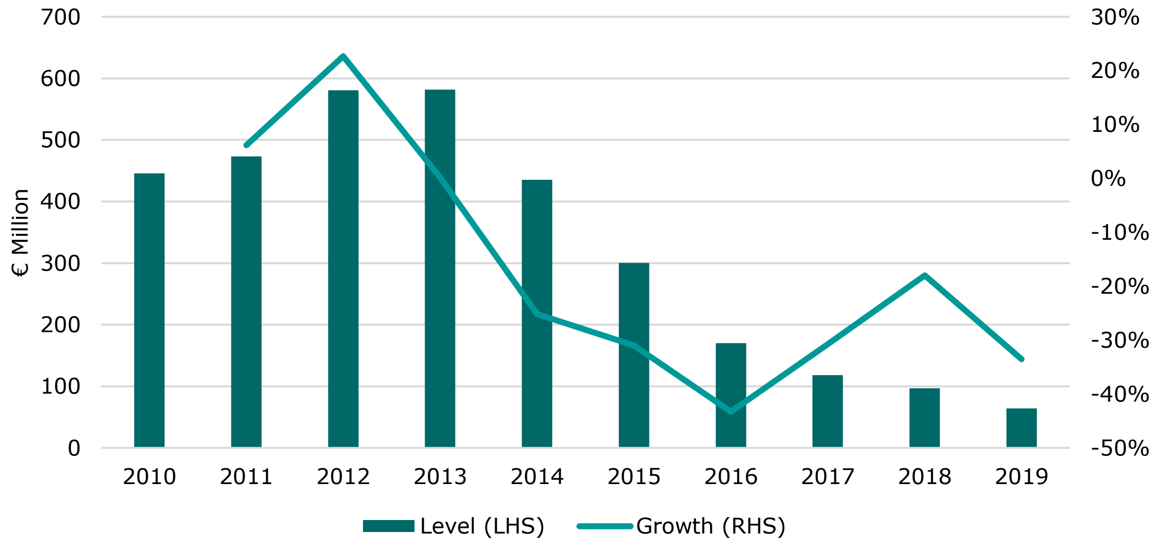


Source: Revenue.

3 DIRT Receipts

DIRT receipts have been declining steadily in recent years. Net annual DIRT receipts amounted to over half a billion euro in both 2012 and 2013. Since then, the receipts from DIRT have fallen, with the tax receipts in 2019 amounting to just over €60 million. This is an 89 per cent cumulative decline in receipts between 2013 and 2019, with the bulk of the decline taking place between 2013 and 2016. Given the DIRT rate was at its highest between 2014 and 2016, this suggests the rate itself has a limited role in explaining the fall in receipts. The 2019 level of DIRT receipts represents the lowest level on record in the last twenty years.

Figure 2: DIRT Receipts



Source: Revenue.

DIRT receipts have declined in both absolute and relative terms. In 2014, DIRT accounted for 1.1 per cent of overall total net tax receipts. In 2019, it accounted for 0.1 per cent. In 2014, DIRT receipts accounted for just over 2.5 per cent of taxes on income. In 2019, this had fallen to 0.27 per cent.

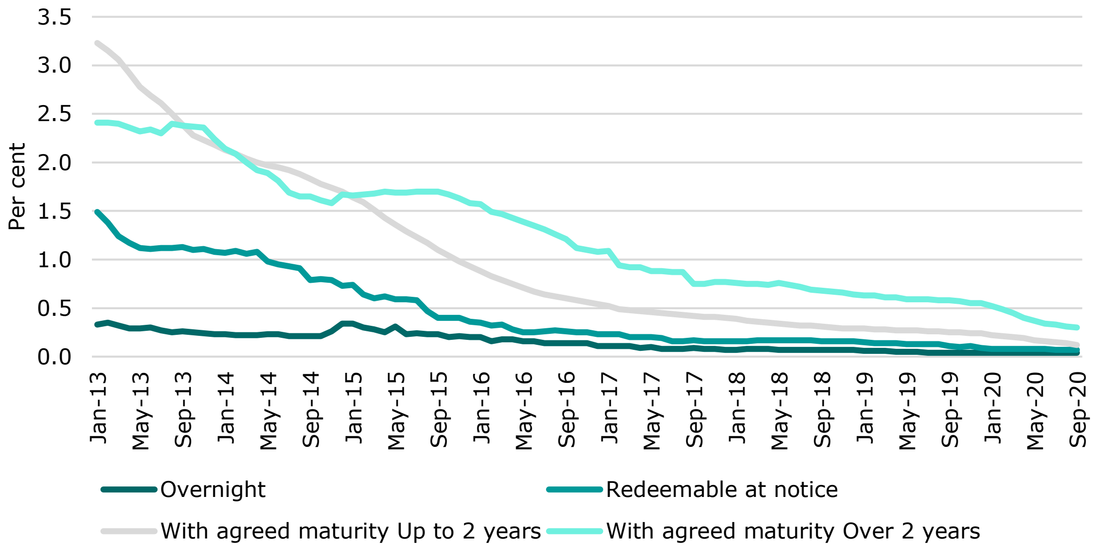
4 Factors that Influence DIRT

4.1 Interest Rates on Deposits

The fall in interest rates on deposits to close to zero in recent years is a key factor in the decline in DIRT receipts.

The average interest rate on household deposits in Ireland ranged between 0.04% and 0.3% in September 2020, depending on the maturity of the deposits. Since January 2013, this reflects a decline in interest rates ranging from 0.3 to 3.1 percentage points across different deposit types.

Figure 3: Interest Rates on Household Deposits



Source: Central Bank of Ireland.

These interest rate trends severely impact DIRT receipts, even if savings are increasing. In 2013, when over half a billion euro was collected from DIRT, the maximum interest rate for households was 3.2%. By end-2019, the maximum interest rate for households was 0.55%, an 83 per cent decline that closely matches the decline in DIRT receipts over the period.

4.2 Savings

Despite the low rates of return on deposits, this has not acted a deterrent for savers, as the level of household deposits has increased over time. According to the Central Bank, Irish resident banks' holdings of household deposits grew by €2.3 billion over the first quarter of 2020, reflecting the impact of the COVID-19 pandemic on consumption.[1] This marked the largest quarterly increase in household deposits since Q4 2006 and the twenty-first consecutive quarter

[1] The CSO also produce statistics on household saving in their Non-Financial Institutional Sector Accounts. They define gross household savings as gross disposable income less the use of this income (i.e. consumption). Central Bank data are a more accurate data source, given that CSO data classifications require a large degree of balancing and adjustments across different economic flows.

in which there has been positive growth. Savings increased again into the second quarter of 2020 by a further €1.8 billion.

Alongside growth in the total level of deposits, Table 1 shows that the composition of household deposits has changed over time. Deposits with an agreed maturity date have declined while overnight deposits have increased rapidly. There are several possible explanations for these changing trends. In 2014, the interest rate differential was much greater between deposits which have an agreed maturity and overnight deposits (see Figure 3). Since this time, the differential has steadily decreased to a point where there is little difference between the interest rates of the deposit types, removing the incentive to lock-in savings over longer time periods. Another explanation is that households may have been saving for house purchases or other large durable expenses over the last number of years given the favourable economic conditions. Finally, households may also have engaged in precautionary saving in preparation for unexpected events.

Table 1: Composition of Household Deposits

€ Million	Overnight	Redeemable at Notice	With Agreed Maturity Over 2 Years	With Agreed Maturity Up to 2 Years	Total Household Deposits
Sep 2013	49,376	9,424	28,032	4,664	91,496
Sep 2014	53,696	9,381	24,806	3,878	91,761
Sep 2015	60,701	9,503	20,534	3,392	94,130
Sep 2016	68,382	9,343	16,042	3,227	96,994
Sep 2017	75,403	9,404	13,270	3,065	101,142
Sep 2018	80,726	9,571	11,285	2,273	103,855
Sep 2019	88,652	9,371	10,087	1,562	109,672
Sep 2020	102,890	9,620	7,847	1,215	121,572

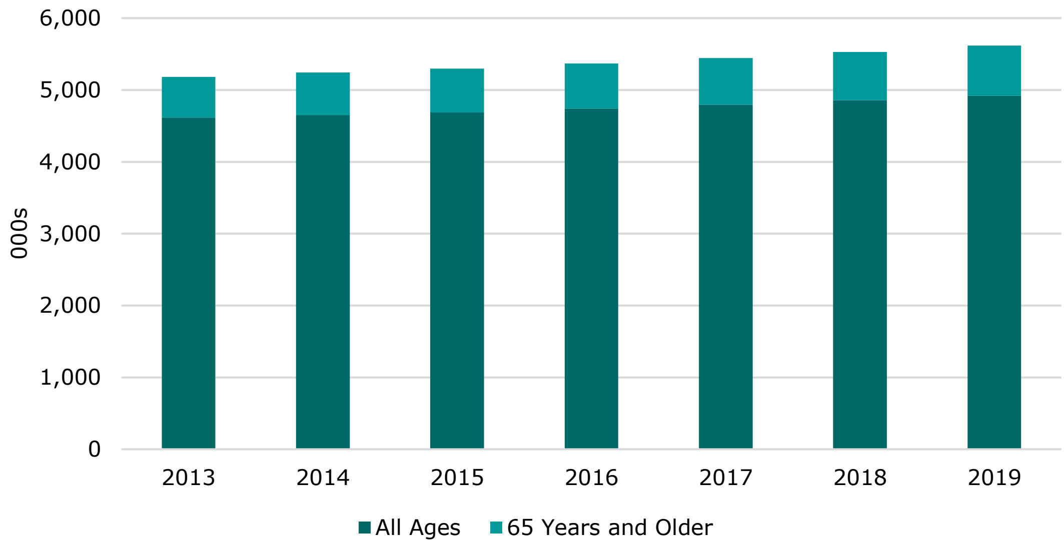
Source: Central Bank of Ireland.

According to the 2018 Household Finance and Consumption Survey ("HFCS") conducted the CSO and the Central Bank, deposits account for the largest share of total household financial wealth (31.7 per cent). This share declined from the 54.9 per cent recorded in 2013, despite an increase in total and median deposit amounts over this period, and over 90 per cent of households having deposits in 2018 (the decline in the deposit share is driven by a strong increase in equities and voluntary pension funds since the financial crisis).

4.3 Exemptions: Over 65-Year Olds

Irish residents who are over the age of 65 can receive interest without paying DIRT. The size of the over 65 population has been increasing over time as life expectancy grows and birth rates decline. The CSO estimates that between 2010 and 2019, the number of those aged 65 and over increased by 22 per cent. The proportion of over 65-year olds in the entire population has increased from 12 per cent in 2012 to 14 per cent last year.

Figure 4: Proportion of Over 65s in Ireland



Source: Central Statistics Office.

According to the CSO 2018 Survey on Income and Living Conditions ("SILC"), the mean real disposable income for those aged over 65 increased by nearly 10 per cent between 2013 and 2018.[2] The mean real disposable income for those aged over 65 in 2018 was just over €26,000.

According to experimental data compiled by Eurostat in 2015, the percentage of disposable income in savings for Irish residents aged between 65 and 74 years was estimated to be 26.4 per cent. For those aged over 75 years, the percentage of disposable income in savings was estimated to be 26.3 per cent.[3] Compared to other age categories, those over 65 have the second largest savings rate (those aged between 35 and 44 years had the highest savings rate).

In line with this, a recent Central Bank paper on the HFCS, highlighted that older households (age 65-plus) tend to hold larger stocks of liquid assets relative to their incomes.[4] This is both because their incomes tend to be lower (around half the level of households aged under-65) and because they tend to hold more liquid savings, more than double that of under-65 households.

With the number of Irish residents aged over 65 increasing, as well as their disposable income and consequent likely level of savings rising, this will directly impact DIRT receipts.[5]

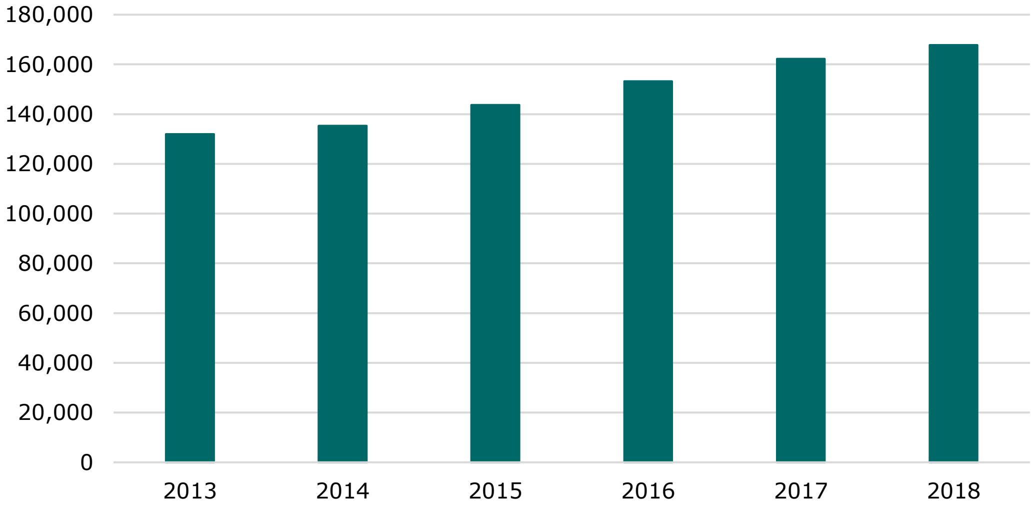
4.4 Exemptions: Companies who pay Corporation Tax

A company within the charge to Corporation Tax is exempt from paying DIRT. As can be seen from Figure 5, the number of companies filing Corporation Tax returns in Ireland has increased

[2] Available at: https://www.cso.ie/en/releasesandpublications/ep/p-silc/surveyonincomeandlivingconditionssilc2018/
[3] Available at: https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=icw_sr_01&lang=en
[4] Available at: https://www.centralbank.ie/docs/default-source/publications/research-technical-papers/07rt20-household-wealth-(horan-lydon-and-mcindoe-calder).pdf?sfvrsn=12
[5] Revenue do not calculate the cost of this tax exemption for individuals aged over 65.

over the last number of years. However, even if this leads to increased savings in the economy generally, this will not translate into additional DIRT receipts.

Figure 5: Number of Firms Filing Corporation Tax Returns



Source: Revenue.

4.5 Repayments: Incentive Schemes

Certain schemes allow individuals to claim their DIRT back as an incentive. The First-Time Buyers ("FTB") relief and the Help-To-Buy ("HTB") incentive are examples of this.

The FTB scheme allowed relief from tax on savings for first time buyers toward the purchase or self-build of a home between October 2014 and December 2017 (DIRT deducted in the 48 months prior to the purchase date was available for refund up to certain limits). The HTB incentive gives first-time property buyers (subject to certain conditions) a refund of Income Tax and DIRT paid over the previous four years.

These schemes may have impacted the DIRT receipts in the last several years, although this impact is likely to be minimal. The take up of FTB was relatively low. HTB is a more significant scheme but Income Tax rather than DIRT accounts for the vast majority of the refunds (DIRT refunds through HTB are less than €1 million).

5 The Tax Base: Interest Income

This section reviews household and business interest income separately. Household interest income forms the majority of the DIRT tax base.

5.1 Household Interest Income

Household interest income is the DIRT tax base for households. It is the amount of interest income that Irish-resident households earn from deposit accounts that can be charged DIRT.

The Central Bank publish deposit volumes and interest rates for four groups of household deposit accounts: overnight; redeemable at notice; maturity of less than 2 years; and maturity of greater than 2 years.[6] The deposit volumes and interest rates are published monthly from 2003 to present. This paper focuses on the data from 2013, when DIRT receipts started to decline.

The Central Bank define households as *'individuals or groups of individuals acting as (i) consumers; (ii) producers of goods and non-financial services exclusively intended for their own final consumption and (iii) small-scale market producers'.* This includes sole proprietorships and partnerships, and non-profit institutions serving households. This definition implies that sole traders will be included in household deposits, but not incorporated bodies.

The volume of deposits affects the interest income for households. As indicated previously in Table 1, overnight deposits have the highest growth rate among household deposits. Since 2013, overnight deposits have grown by just over 120 per cent. Redeemable at notice deposits have decreased by 5 per cent while the volume of deposits with agreed maturity both up to two years and over two years have both sharply decreased by over 70 per cent. However, both the latter two deposit accounts combined have the smallest share of total deposits, accounting for just 7 per cent of total deposits in September 2020.

The rate of interest on household deposits affects the interest income. As demonstrated in Figure 1, the rate at which interest rates have declined has varied, depending on the type of deposit. The interest rate on redeemable at notice deposits has declined by 94 per cent since 2013. The interest rate on overnight deposits has declined by 88 per cent since 2013. Overnight deposits currently have the lowest interest rate of 0.04 per cent (while simultaneously representing the largest share of household deposits).

A proxy for the DIRT tax base is calculated by multiplying the interest rate for each household deposit account by the volume of that deposit in each month. This is divided by twelve to get the

6 The data used refers to deposits from households in the euro area by credit institutions resident in Ireland. Only rates on euro-denominated deposits are covered. Although for the purposes of these statistics, no distinction is made between Irish residents and residents of other member states of the euro area, approximately 99.4% of household activity reported is with Irish residents.

monthly interest income, i.e., the total amount of interest earned by households in that month. Aggregating the interest income for each month together gives the annual interest income which can be multiplied by the DIRT rate for each year to give the indicative tax liability. This estimate of interest income has declined rapidly from over €1,100 million in 2013 to €90 million in 2019. As such, the indicative tax liability for Irish households fell from €376 million to €32 million.

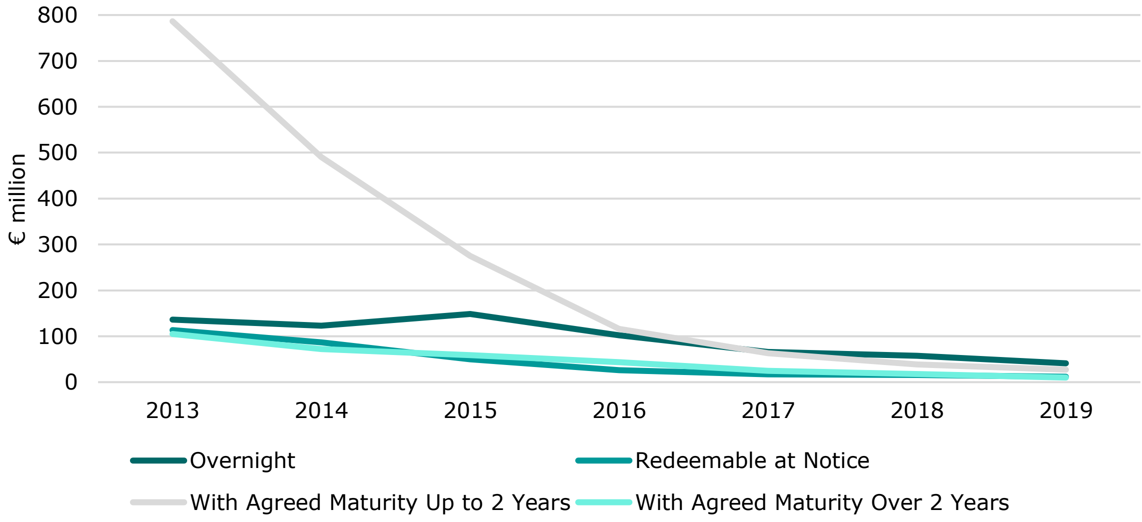
Table 2: Household Interest Income and Tax Liability

Year	Combined Level of Deposits (€ Million)	Estimated Interest Income (€ Million)	DIRT Rate (%)	Indicative Tax Liability: Households (€ Million)
2013	91,746	1,141	33	376
2014	91,674	773	41	317
2015	93,691	532	41	218
2016	96,380	288	41	118
2017	99,620	171	39	67
2018	102,627	129	37	48
2019	108,415	90	35	32

Source: Revenue analysis of Central Bank data.

Interest income has been declining for each type of deposit since 2013. Deposit accounts with agreed maturity up to two years have experienced the steepest decline in interest income. The interest earned on these deposit accounts has declined from almost €800 million in 2013 to just under €30 million in 2019.

Figure 6: Interest Income by Household Deposit Type



Source: Central Bank of Ireland.

5.2 Business Interest Income

Business interest income is the DIRT tax base for businesses; it is the amount of interest businesses earn which can be charged DIRT. Non-incorporated businesses are charged DIRT on their interest income.

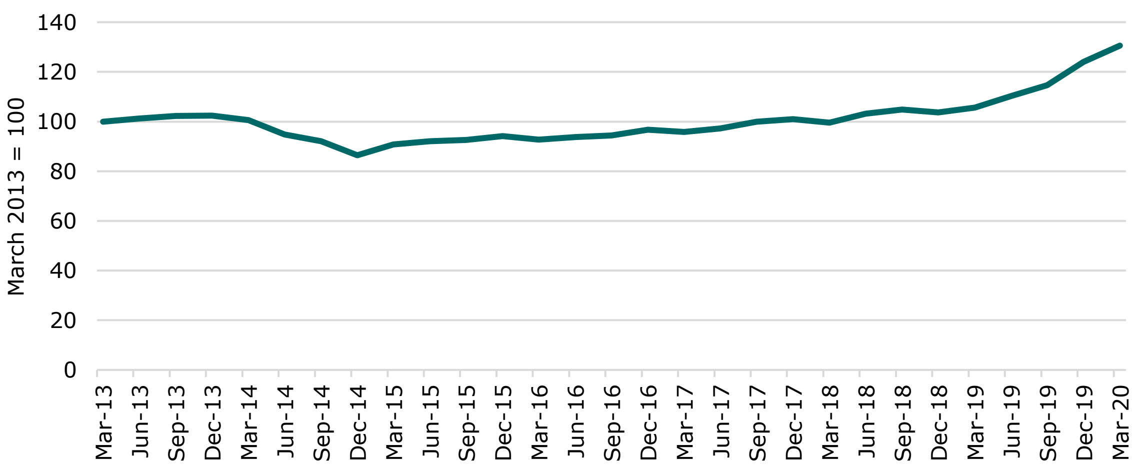
The Central Bank publish deposit data for Small and Medium-Sized Enterprises ("SME") where SMEs are defined as entities '*engaged in an economic activity, irrespective of legal form (i.e. corporation, partnership, sole-trader, etc.), which employs fewer than 250 persons; and whose annual turnover does not exceed €50 million or whose annual balance sheet does not exceed €43 million'*.

However, the Central Bank publish SME deposits together with Large Enterprise deposits in a data source entitled 'Private Sector Enterprise'. Private sector enterprise refers to enterprises of all sizes, and therefore encompasses both SMEs and larger firms. As a result, these data may include some incorporated businesses, who are exempt from being charged DIRT. There also may be a small overlap between household deposits and SME deposits as they both include sole traders. The Central Bank also record interest rates and deposits for Non-Financial Corporations ("NFCs").

This analysis looks at 'Private Sector Enterprise' deposit data to estimate the DIRT liability of businesses. The NFC data are not be appropriate as these solely refers to incorporated firms, none of which pay DIRT. The deposit volumes of private-sector enterprise deposits are published quarterly from 2003 to present. This section looks at these deposits from 2013 onwards. The interest rate for SME and Large Enterprises is not published with these data. For the purposes of calculating the interest income for private-sector enterprises, the interest rate for NFC overnight deposits is used. Overnight deposits make up the largest share of NFC deposits and these interest rates are similar to commercial banks' business rates.

The volume of deposits affects the interest income for private-sector enterprises. The volume of these deposits initially declined in 2014 but they have grown gradually since then. In March 2013, there were just over €92 billion in outstanding deposits for private sector enterprises recorded. In March 2020, private-sector enterprise had just over €120 billion in deposits, an increase of 23 per cent over the past seven years.

Figure 7: Growth of the Volume of Private-Sector Enterprise Deposits

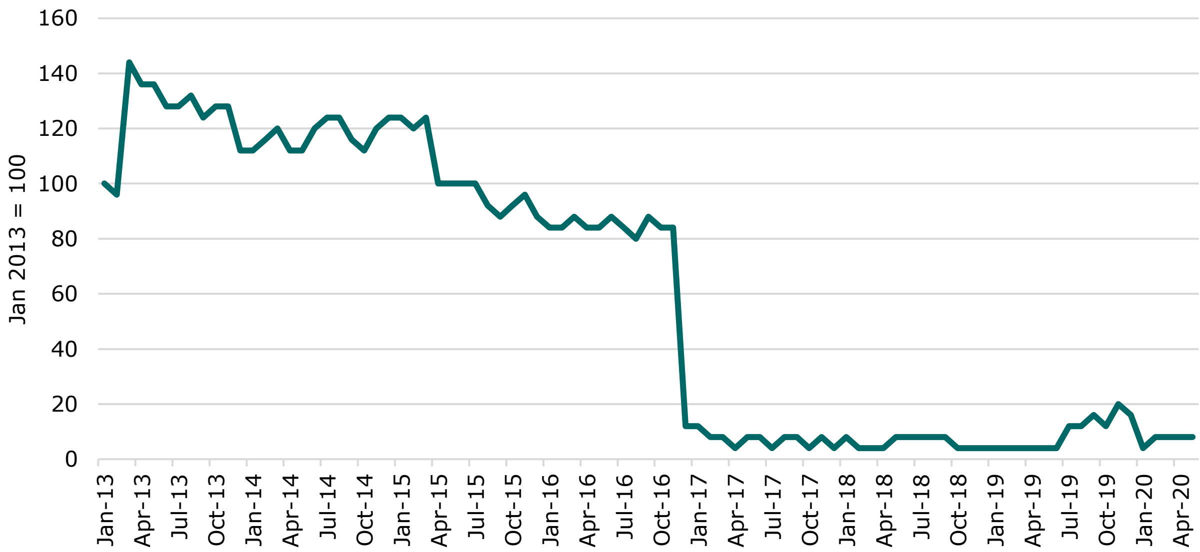


Source: Central Bank of Ireland.

The interest rate being used, the NFC overnight interest rate, has declined since significantly 2013. This interest rate is currently similar to the main commercial banks' business rates. In 2013, this interest rate was 0.25%. In September 2020, this rate was 0.05%, a decline of 80 per cent since 2013.

While larger corporate customers of banks have been charged negative interest rates in recent years, there is no evidence of this for smaller (unincorporated) business customers and SMEs. The negative interest rates of corporate depositors have no bearing on DIRT as they are exempt from this tax.

Figure 8: Growth Rate of NFC Overnight Interest Rate



Source: Central Bank of Ireland.

Applying the same method as used above for household interest income, a proxy for the DIRT tax base for private sector enterprises can be calculated by multiplying the interest rate in each period by the volume of deposits in that period. As the private sector enterprise data are published every three months, this is divided by four to get the quarterly interest income, i.e., the total amount of interest earned by businesses in that quarter. Aggregating this for each year gives the annual interest income which can be multiplied by the DIRT rate for each year to give the indicative tax liability. This estimated interest income has declined rapidly from over €297 million in 2013 to €27 million in 2019. As such, the indicative tax liability for Irish private-sector enterprises has fallen from €98 million to €9 million, driven by the decline in interest rates.

Table 3: Private Sector Enterprise Interest Income and Tax Liability

Year	Average Level of Deposits (€million)	Estimated Interest Income (€million)	DIRT Rate (%)	Indicative Tax Liability: Private Sector Enterprises (€million)
2013	93,726	297	33	98
2014	86,339	259	41	106
2015	85,337	213	41	87
2016	87,176	149	41	61
2017	90,943	16	39	6
2018	94,927	14	37	5
2019	104,956	27	35	9

Source: Revenue analysis of Central Bank data.

Table 4 shows the combined estimated tax liability for both households and private sector enterprises. It does not fully equal the level of DIRT collected each year (last column). However, Figure 5 shows an index of actual DIRT receipts compared to combined estimated tax liability. With 2013=100 as the base, the fall in DIRT receipts and the fall in estimated tax liability for households and private enterprises follow a similar trend.

Table 4: Indicative Tax Liability and Actual DIRT Collected

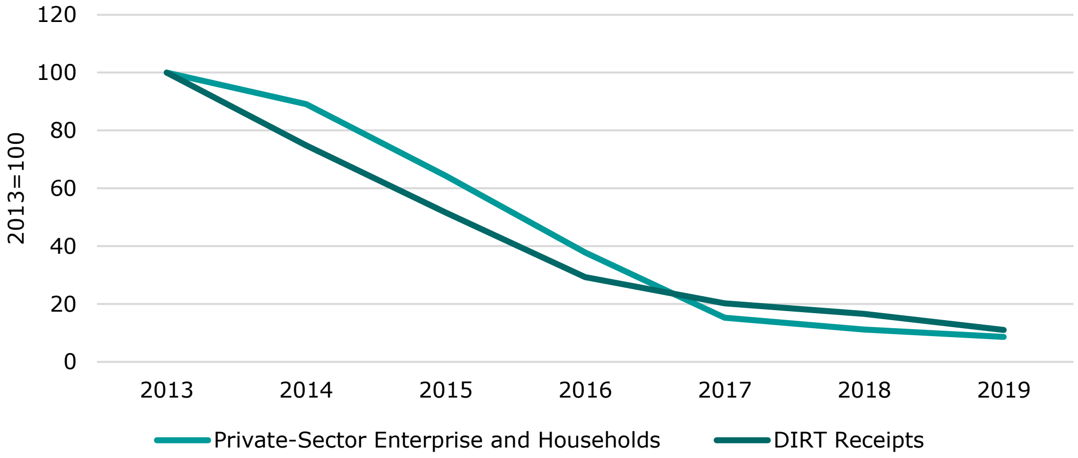
Year	Indicative Tax Liability: Households (€ Million)	Indicative Tax Liability: Private Sector Enterprises (€million)	Indicative Tax Liability Private: Sector Enterprises and Households (€million)	Actual DIRT Collected (€million)
2013	376	98	475	582
2014	317	106	423	435
2015	218	87	305	300
2016	118	61	179	170
2017	67	6	73	118
2018	48	5	53	97
2019	32	9	41	64

Source: Revenue analysis of Central Bank data.

Although the estimated tax liability for households and private enterprises is not the same as the actual level of DIRT receipts, the dynamics of the two-time series bear reasonable comparison, suggesting the estimates are a sufficient basis for analysis.[7]

[7] A calculation of the tax base and estimated tax liability using CSO data from the Non-Financial Institutional Sector Accounts was also performed as part of this research project. However, this alternative estimate did not track actual DIRT receipts as well as the Central Bank data. Explanations for this include that CSO data are subject to more balancing and adjustments than Central Bank data, and CSO data also include State Savings which are exempt from DIRT.

Figure 9: Comparison of DIRT Receipts and Estimated Tax Liability



Source: Central Bank of Ireland.

5.3 Price-Volume Decomposition

This section decomposes the indicative DIRT tax liability for households into its volume component (i.e., the level of savings) and its price component (i.e., the combination of the interest rate and tax rate). The formula is as follows:

if $R^{T} = P^{T} * V^{T}$

and $R^{T-1} = P^{T-1} * V^{T-1}$

then $R^{T} - R^{T-1} = P^{T} * V^{T} - P^{T-1} * V^{T-1}$

if $\Delta P = P^{T} - P^{T-1}$ (change in price) and $\Delta V = V^{T} - V^{T-1}$ (change in volume)

then $R^{T} - R^{T-1} = (P^{T-1} + \Delta P) * (V^{T-1} + \Delta V) - P^{T-1} * V^{T-1} = P^{T-1} * V^{T-1} + P^{T-1} * \Delta V + \Delta P * V^{T-1} + \Delta P * \Delta V - P^{T-1} * V^{T-1}$

or $\mathbf{R^{T} - R^{T-1} = P^{T-1} * \Delta V + \Delta P * V^{T-1} + \Delta P * \Delta V}$

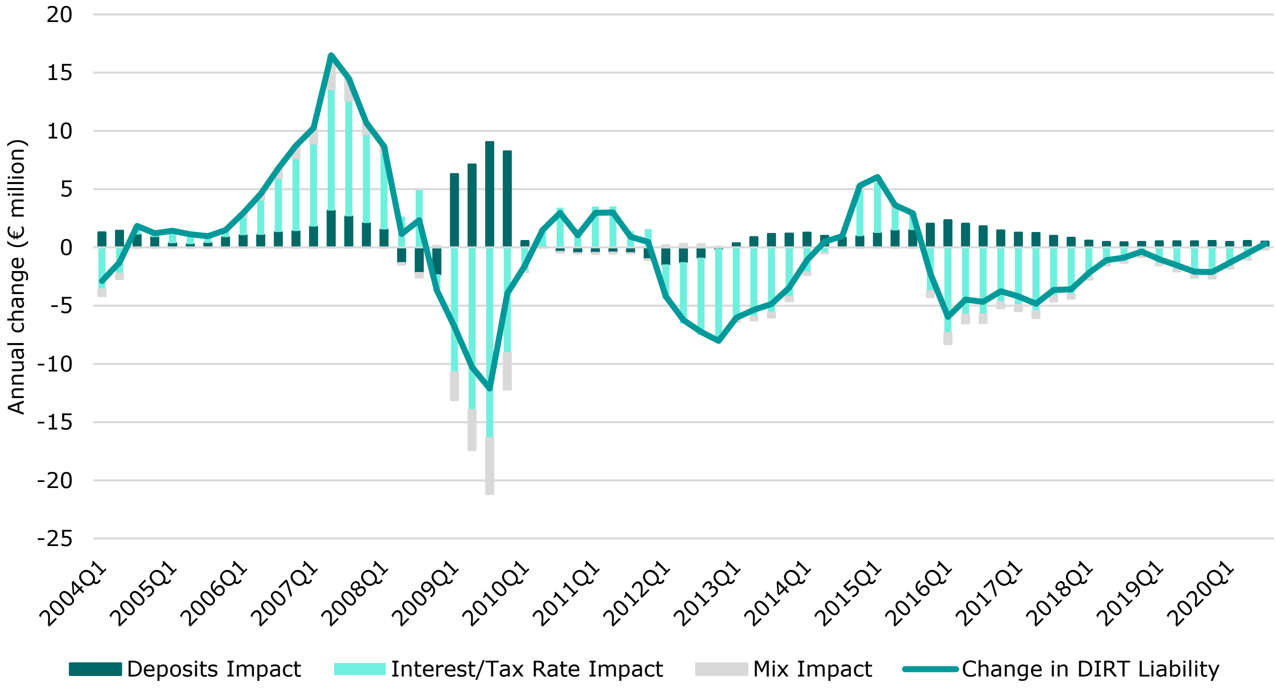
The first term $\mathbf{P^{T-1} * \Delta V}$ is the volume impact (how the level of savings affects the DIRT liability), the second term $\mathbf{\Delta P * V^{T-1}}$ is the price impact (how the interest rate and tax rate affect the DIRT liability), and the final term $\mathbf{\Delta P * \Delta V}$ can be characterised as the mix impact.

Two categories of household deposit are examined to illustrate the respective roles of savings (deposits) and the interest and tax rates, and a longer time series is chosen to fully show the effects over the economic cycle.

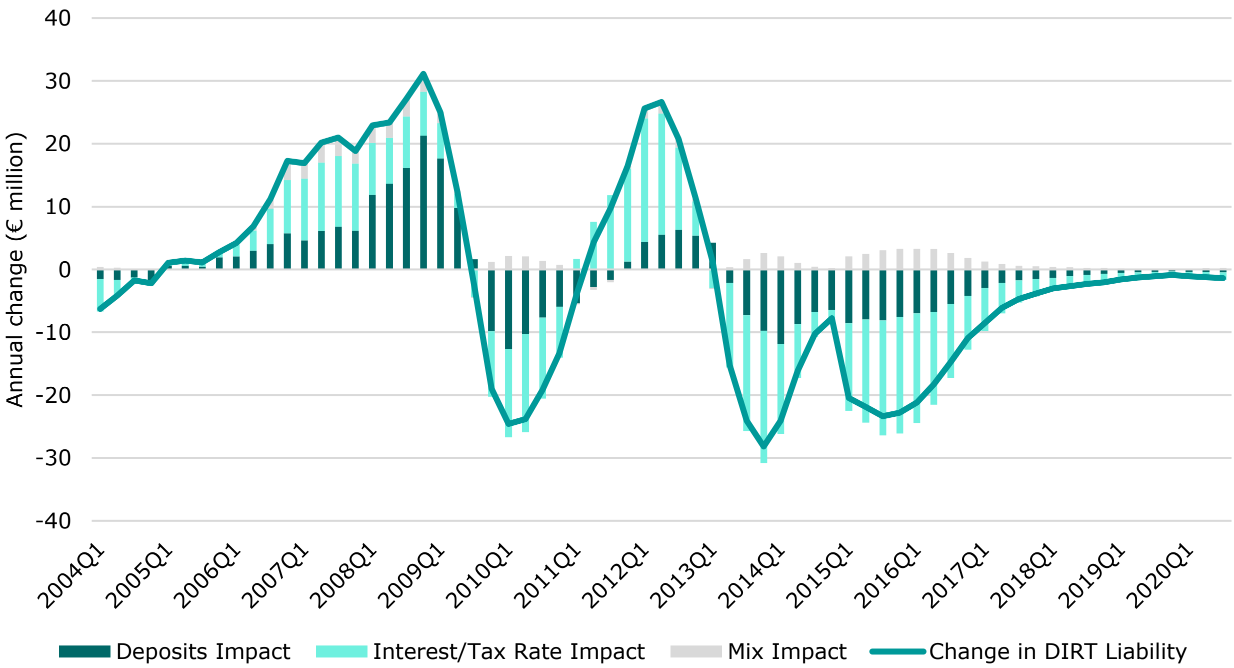
First, the indicative DIRT liability for overnight deposits, which represent the bulk of household saving in Ireland, has typically been driven by changes in interest rates (within the price impact, the interest rate dominates the tax rate due to the relative stability of the latter). Prior to the economic crash, interest rate changes had a strongly positive impact on liabilities but have had a negative impact in the most recent five years due to the deepening low-interest rate environment. Despite experiencing strong growth over the period, the level of deposits has had a relatively limited positive impact on DIRT liabilities (with the notable exception being the initial phase of the economic crash in 2009 when households engaged in rapid balance sheet repair).

Figure 10: Decomposition of Indicative DIRT Liability for Households

A Overnight Deposits



B Deposits with Maturity Up to 2 Years



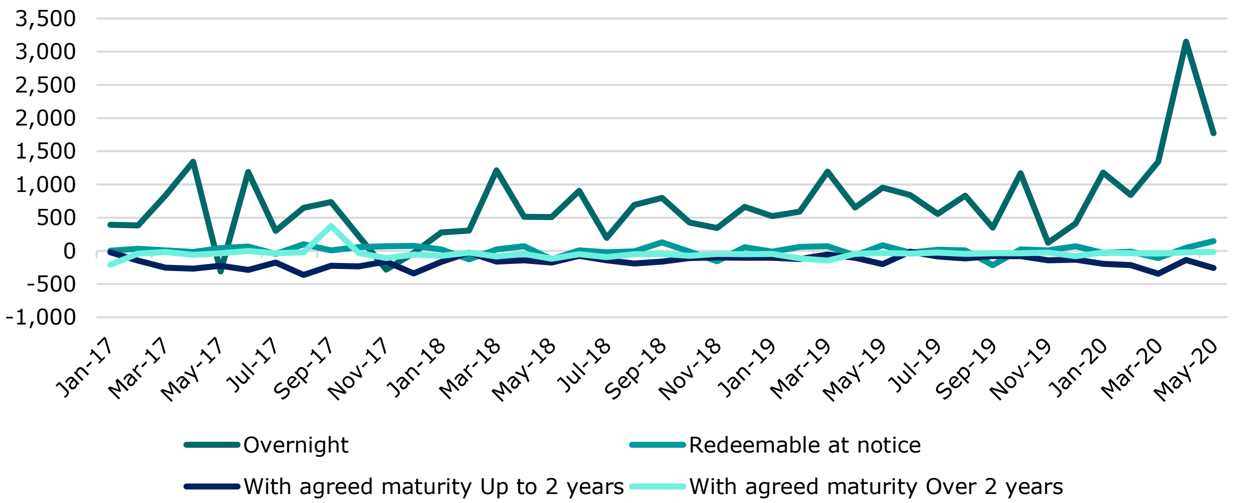
Source: Revenue analysis of Central Bank data.

The indicative DIRT liability for deposits with a maturity up to 2 years is also examined, as this deposit category is responsible for most of the decline in household interest income in recent years. It shows a slightly different pattern of decomposition. Here, the change in deposits has had a larger impact on DIRT liabilities than was the case for overnight deposits, and the impact is negative (as these deposits declined). However, as with overnight deposits, changes in the interest rate tend to drive the large swings in DIRT liabilities.

6 COVID-19

Due to COVID-19 restrictions, as spending opportunities were reduced and savings increased, DIRT receipts in turn may have been affected. According to the Central Bank, total household deposits with banks and credit unions increased by €3 billion in April 2020 and €1.5 billion in May. The April inflow was well above the average monthly (€443 million since 2016). However, the largest increase was seen in overnight deposits, which have the lowest interest rate.

Figure 11: Household Deposit Flows



Source: Central Bank of Ireland.

DIRT is declared and paid four-times yearly basis by financial institutions: in April, July, and October of the tax year in question and in the following January. Any impact which COVID-19 may have had on DIRT liabilities in the second quarter of 2020 therefore was not seen until tax was paid by the financial institutions in October. However, DIRT receipts in October 2020 were €5.8 million, considerably below the €12.6 million paid in October 2019.

The decomposition analysis undertaken in the previous section suggests it is the low-interest rate environment that continues to inhibit DIRT receipts, despite the existence of record savings by households during the pandemic. Although the level of overnight deposits increased by 14 per cent between 2019 Q2 and 2020 Q2, the interest rate for such deposits fell by 20 per cent. The DIRT rate also fell by 2 percentage points over this period (equating to a 6 per cent fall)

In addition, the impact of COVID-19 on deposits may itself be temporary as, in June, the increase in deposits was only half of what it was in May. In April and May collectively, the value of retail sales (i.e., household consumption) fell by 45 per cent, as measured by the CSO, the mirror image of the increase in deposits. By contrast, the value of retail sales increased by 38 per cent in June as the economy reopened. This suggests savings may fall back further when the economy fully reopens. However, such a development is unlikely to have much of an (adverse) impact on DIRT receipts.

Finally, it is worth noting that, given it is likely that interest rates will remain low for some time to come, this will limit the effectiveness of any policy decision to lower the DIRT rate to encourage consumption in the post-COVID environment.

7 Conclusion

DIRT receipts continue to decline to all-time low levels. DIRT receipts from 2019 were a tenth of their level in 2013.

This report discusses the different factors that have affected DIRT receipts. It identifies the decline in the interest rate of longer maturity household deposits and the increased reliance by households on low-interest overnight deposits as key drivers of the DIRT decline. Low interest rates do not act as a deterrent to savers, however, as deposits overall have increased, for both households and businesses. Deposits increased even further during the COVID-19 lockdown but the continued low-interest environment inhibits any DIRT increase arising from this.

Aside from developments in savings patterns, the increase in individuals aged over 65 and in businesses filing Corporation Tax returns, both of which do not pay DIRT, are structural developments that not do generate additional DIRT liabilities.

The analysis indicates that the rapid fall in DIRT receipts can primarily be explained by declining rates of interest on savings, as well as the composition of savings. The policy choice to reduce the 41% rate of DIRT incrementally by 2 percentage points annually since 2017 to reach the current rate of 33% plays only a minor explanatory role.

While the estimates of DIRT liability generated from Central Bank savings and interest data do not fully explain the levels of DIRT receipts, they are not indicative of significant non-compliance issues. This evaluation offers assurance to Revenue that there is not widespread underpayment of DIRT occurring.

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The authors are members of the Irish Government Economic & Evaluation Service ("IGEES"). Any opinions expressed in this paper are the views of the authors and do not necessarily reflect the views of IGEES.

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