

## Cost of Tax Expenditures – Notes

The associated tables show the estimated cost in terms of revenue forgone of these measures.

All figures are based on tax due in respect of assessments for each year and not on tax receipts within that year. The costs included for Corporation Tax are by reference to accounting periods which ended in the year shown.

The numbers of claimants of each credit or relief are shown to the extent that they are available. The numbers included are the taxpayers who would be adversely affected by the withdrawal of the respective credit, allowance or relief.

Each tax credit or allowance is being dealt with separately and on the assumption that the rest of the tax system remains unchanged. It would be therefore inaccurate to calculate the effect of withdrawing all the credits, reliefs and allowances by simply totalling the figures.

The estimates shown in some cases are tentative and may be subject to revision in the light of later information.

### Key

"<10" indicates that there are less than 10 (but more than zero) taxpayers availing of the particular credit, allowance or relief in that year; the exact number is not provided due to Revenue's obligation to protect taxpayer confidentiality and Revenue's statistical disclosure protocols.

"0" indicates that there are no (zero) taxpayers availing of the particular credit, allowance or relief in that year.

"\*" indicates that the figures are particularly tentative and subject to a considerable margin of error.

"N/A" indicates that no data available for that particular year.

"A" indicates that information for a particular item has now been amalgamated with a related item for that particular year.

"C" indicates that the particular credit, allowance or relief has ceased.

"N" indicates that the particular credit, allowance or relief is a newer measure and had not commenced in the year in question.

"blank" indicates that information for that particular year is not yet available.

"\*\*" indicates that there is a break in the data series, for example, due to a change in the underlying data source(s).

"^" indicates there have been significant revisions to the data series due to a change in methodology.

"S" indicates that the figure has been suppressed due to Revenue's obligation to protect taxpayer confidentiality and uphold its Statistical Disclosure Control Protocol.

## Notes

- (1)** This cost includes the standard age exemption rate and the increased exemption allowed.
  - (2)** The Estimated Tax Cost is calculated by applying a derived Average Marginal Rate (AMR) to the claim amount
  - (3)** Initial relief is allowed on thirty fortieths (30/40) of the EII investment in the year the investment is made. Relief in respect of the further ten fortieths (10/40) of the EII investment will be available in the fourth year after the EII investment was made. Costs include the second tranche where available. The figures recorded in relation to 2012 are the combined figures for both 2011 and 2012.
  - (4)** From 2009, Health Expenses are separately shown for Nursing Homes and other Health Expenses.
  - (5)** The numbers represent the total unique claimants for both Nursing Home and "Other" Health Expenses.
  - (6)** Data includes only cases which have been fully approved and the year refers to the date the claim was approved. These figures also include retrospective cases (for the period 19 July to 31 December 2016).
  - (7)** The tax cost includes the cost of relief to income tax, USC and PRSI, it does not include an account for CGT payable on the sale of shares.
  - (8)** The estimated costs have assumed tax foregone at the 40% rate. This means the figures shown correspond to the maximum Exchequer cost. However, the actual Exchequer cost could be lower.
  - (9)** The numbers of claimants refer to the number of policyholders, not the number of tax units. The figures include policyholders where employee subscriptions were funded by employers.
  - (10)** For 2019 onward, a Revenue system change has resulted in some data being amalgamated. This tax expenditure is an amalgamation of Employees' Contributions to Approved Superannuation Schemes and Pension Contributions (Retirement Annuity and PSRA). Older years of data for the individual subcomponents are available in the Other table.
  - (11)** Tax cost is not available as the only information in respect of this relief is the disposal consideration rather than the actual taxable gain foregone.
  - (12)** LPT Deferred amounts, although foregone in a particular year, are still owed to the Exchequer at a later date.
  - (13)** LPT Exempt amounts are based on claims made in returns and will be subject to certain verification checks. In addition, the full effects of exemptions are not reflected in the statistics as, where an exemption was claimed, the property owner is not always required to value their property.
  - (14)** 'Allowable Expenses' excludes remote working expenses from 2020 onwards. Remote working expenses are available separately from this date, under Remote Working Relief in the *Cost of Tax Expenditures* table.
  - (15)** The 'Donations to Approved Sporting Bodies (Schedule D and Corporation Tax filers)' is on a taxpayer unit basis, whereas the item 'Donations to Approved Sporting Bodies (PAYE)' is on an individual basis.
  - (16)** Maternity Benefit payable by Department of Social Protection (DSP) from 1 July 2013 is liable to tax.
  - (17)** This cost is calculated on income which includes dividend income on which Income Tax deducted at source is repaid and other investment income, covenant payments and donations by the corporate, self-employed and PAYE sectors to approved bodies.
  - (18)** This is the maximum cost of the exemption.
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- (19)** The number of exemptions represents the total of claims received by the Department of Social Protection (DSP) in a year.
- (20)** The breakdown by year refers to the year in which homeowners carried out qualifying works under the scheme, and the resulting value of the tax credits eligible to be claimed. The cost to the Exchequer will be realised in the years thereafter as the tax credits are claimed by homeowners.
- (21)** This figure was previously included in the *Certain property based tax reliefs* publication.
- (22)** The tax cost shown for Section 23 type reliefs is the estimated ultimate tax cost relating to the total allowable expenditure in respect of the claims made for the first time in the years shown. The cost is shown for Income Tax cases only.
- (23)** The cost shown relates to Group Relief offset against trading income and does not include excepted trade as it is not available.
- (24) (25)** These reliefs are in place in recognition of the need for corporate entities to be able to reorganise, restructure and amalgamate their businesses as part of their further development without incurring what would be technical Stamp Duty charges. Such reliefs are a common feature of tax systems in developed countries.
- (26)** Film relief was available as both a Corporation Tax and Income Tax relief until 2015.
- (27)** These items are included in the item Capital Allowances Used (Total).
- (28)** Statistics for the most recent years are subject to revision, due to the length of time available to make a claim in respect of this relief/credit.
- (29)** Income Tax figures will be included in this publication by the end of July
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