

**Minutes of Joint Meeting of Main TALC
and the TALC Direct and Capital Taxes Sub-Committee**

23rd October 2025

Microsoft Teams conference call at 2:30pm

The purpose of the meeting was to discuss the measures announced in Finance Bill 2025 (as initiated) on which queries had been raised in advance of the meeting. It was noted that section 45 (participation exemption) and section 92 (Pillar Two) of the Bill had been discussed yesterday at the TALC BEPS Sub-Committee.

Residential Zoned Land Tax Issues:

Section 99 – Residential Zoned Land Tax

Section 99 of the Bill proposes to make a number of amendments to Part 22A of the TCA, which provides for Residential Zoned Land Tax ("RZLT"). Two specific amendments in respect of which queries were raised by the Law Society are that which introduces a new subparagraph III into section 635B(iia) TCA and that which inserts a new subsection 7 into section 653AG TCA.

Section 635B TCA sets out the relevant criteria to be met for land to be included in a local authority map and criteria for certain land to be excluded from the scope of RZLT. The new subparagraph III excludes certain land which is zoned for development under the Planning and Development Act 2024. Revenue confirmed that (i) the purpose of the amendment is to allow for the introduction for the Planning and Development Act 2024 rather than create any new basis to exclude land from RZLT and (ii) the new subparagraph III will come into effect on the commencement of the relevant provisions of the Planning and Development Act 2024 referenced in the new subparagraph, and will be reflected in the mapping processes which will conclude following same.

Section 653AG TCA sets out how RZLT applies to sites which are zoned for mixed use purposes, including residential use. Where planning permission is granted for non-residential development in respect of part or all of a relevant site which is zoned for mixed use purposes, the commencement of non-residential development may bring that relevant site, or part thereof, outside the scope of RZLT. In such circumstances, subsection 7 currently requires a liable person to make a declaration to this effect to Revenue within 30 days of the lodgement of the commencement notice in respect of such non-residential development. The background to the new subsection 7 is to address an issue identified in the RZLT subgroup of the TALC Direct and Capital Taxes Sub-Committee where a commencement notice is served historically, allowing the declaration to be made within 30 days of the site becoming a relevant site. Practitioners highlighted some concerns regarding (i) scenarios where construction for a site is underway and the commencement notice is served historically and (ii) whether linking the declaration to the date a site becomes a 'relevant site' may not address the timing issue (as a site becomes relevant site once it appears on a final map). At the meeting Revenue outlined a relevant site is defined in section 653O (1)(b) TCA and relevant site will be included in the final map most recently published by the relevant local authority (ie the next final map published following a

commencement notice issued historically), the proposed new subsection 7 should operate as previously discussed at the RZLT subgroup. Revenue to reflect the above in guidance as soon as possible following the enactment of the Bill.

Submission by Law Society

In July, a submission was made by the Law Society, with the support of the Institute of Tax and the CCAB-I, to the Department of Housing, Local Government and Heritage, the Department of Finance and Revenue regarding a number of issues which had been discussed at RZLT Subgroup of the TALC Direct/Capital Taxes Sub-committee and which Revenue had confirmed were policy matters rather than administrative issues. At the meeting, practitioners queried why the Finance Bill does not address the issues raised in the submission. Revenue read the following statement from the Department of Finance:

The Law Society raised six issues with the Department of Finance, the Department of Housing, Local Government and Heritage and the Revenue Commissioners.

The Department of Finance co-ordinated the examination of the issues. The first three issues (Phased development of larger sites, Local Authority driven separate consecutive planning permissions (PP) , and no ability to amend planning permission when original PP is viewed as inadequate) the Department referred to the Department of Housing, Local Government and Heritage for their views. The reason for referring these matters to that Department is because of the planning related nature of the issues. In response the Department of Housing, Local Government and Heritage indicated familiarity with the issues but indicated that they did not support these proposed legislative changes. If the Law Society wishes further information on these issues they can follow up with the Department of Housing, Local Government and Heritage

In relation to issues four and five which relate to the triggering of the end of the deferral of RZLT on sale or transfer of a site, the Department of Finance sought legal advice on this matter from the AGO. We enquired about whether there was potential to facilitate the non-crystallisation of RZLT when sale or transfer of land occurs during deferral periods. However, we got clear and unequivocal legal advice from the AG that there would be too much legal risk with such a proposal. Whilst this advice is confidential to the Department, it made a number of points including for instance that such a measure would likely benefit some vendors over others thus leading to a greater legal challenge to RZLT itself. Consequently, we are unable to deal with this matter in the Finance Bill.

In relation to issue six connected to judicial reviews and appeals of planning permission, you should note that the Finance Bill contains an amendment which provides an exemption from RZLT when an unconnected third party makes an appeal against a planning decision granted by An Coimisiún Pleanála. This is currently a deferral.

Stamp duty issues:

Part 4, Stamp Duties

Section 76 - Amendment of section 83D of Principal Act (repayment of stamp duty where land used for residential development)

Section 76 amends section 93D SDCA, which provides for a partial repayment of stamp duty paid on a conveyance or transfer of land where the land is subsequently developed for residential purposes. One of the purposes of the amendment is to extend the timeframe for completion of acquisition and construction from 30 months to 36 months for certain large scale developments.

At the meeting, practitioners highlighted the importance of this amendment and queried whether the extended 36 months could apply to refund claims submitted prior to the commencement of the amendment. Revenue confirmed the amendment does not have retrospective effect and, given the significance of the amendment, plan to issue guidance as soon as possible.

Section 79 - Amendment of Part 7 of Principal Act (Exemptions and Reliefs from Stamp Duty)

Section 79 repeals section 86A SDCA and introduces a new section 86B SDCA, which provides an exemption from stamp duty on a conveyance or transfer of marketable securities where the securities are admitted to trading on a 'relevant market' and the closing market capitalisation of the company was below €1 billion on 1 December of the previous year.

At the meeting, practitioners commented that the €1 billion market capitalisation threshold appears contrary to the objective of promoting companies listing on a stock exchange (as such companies would generally expect to grow in value) and highlighted practical issues with the collection of stamp duty where the company surpasses the €1 billion market capitalisation threshold and that company is listed on a European stock exchange which does not have a facility to collect stamp duty. In response, Revenue read out the following statement, which had been provided to them by the Department of Finance:

The purpose of the €1bn exemption amendment below which stamp duty is not paid on share transactions is to fulfil the commitment given last year by the Minister for Finance on Budget 2025 that “the department will subject to State aid considerations, introduce a stamp duty exemption . This measure would enable Irish SMEs to access equity via financial trading platforms designed to support their funding needs”.

A key part of this commitment is to strike an appropriate balance between the need to protect the existing level of stamp duty collected on the acquisition of shares, whilst at the same time providing greater opportunities for Irish companies to raise equity to finance growth through the Irish Stock Exchange.

As part of the Department's engagement on this matter, it considered Euronext Dublin's proposal that the cut-off point for market capitalisation below which Stamp Duty would not apply to acquisitions of shares in the companies concerned should be set at €1bn. An important part of its consideration of this matter was that France, Spain and Italy apply an exemption to the shares of companies which have a market capitalisation below a specific value (€1bn for France and Spain and €500m for Italy) .

The Department made a submission to the Minister outlining a number of options, and the Minister approved the €1bn threshold below which stamp duty would not be paid. He felt that this was a fair balance between ensuring that the Exchequer was protected whilst at the same time giving greater opportunities for companies to raise equity using the Irish Stock Exchange.

Income Tax, Corporation Tax issues

Part 1, Universal Social Charge, Income Tax, Corporation Tax And Capital Gains Tax

Section 7 - Amendment of section 235 of Principal Act (bodies established for promotion of athletic or amateur games or sports)

Section 7 amends section 235 TCA, which provides for an exemption from income tax and corporation tax on the income of certain bodies established for the purpose of the promotion of athletic or amateur games or sports. The amendment provides that the exemption applies from the date of the notice of determination by Revenue granting an exemption under section 235 TCA.

At the meeting, given the number of sporting bodies potentially impacted by this amendment, practitioners queried the policy rationale for the amendment. Revenue outlined the policy rationale was to put Revenue practice on a statutory footing and noted that many smaller sporting bodies may not be trading or availing of other exemptions (ie therefore not impacted by the amendment). Revenue outlined there was no intention to adversely impact smaller sporting bodies and any unintended impact on smaller sporting bodies will be considered as part of guidance.

Section 8 - Amendment of section 847A of Principal Act (donations to certain sports bodies)

Section 8 makes a number of amendments to section 847A TCA, which provides a mechanism for tax relief for donations to approved sporting bodies. Individuals who make a donation to an approved sports body may elect to either (i) claim the tax relief on donation themselves or (ii) give the relief to the sports body. One of the amendments in section 8 is to make such election irrevocable from the earliest of the date the taxpayer claims the relief, files a tax return or 1 December in the year after the donation was made.

At the meeting, practitioners queried application of the provision where an individual does not make an election before 1 December of the year following the donation (ie where no election made to become 'irrevocable') and the relevance of the 1 December date.

Revenue outlined the policy rationale of the amendment is to ensure that individuals cannot amend an election beyond 1 December of the year following the donation, being the date on which a repayment of any tax under the section may be made to the sporting body.

Revenue highlighted that the election by the individual should be made at the time of the donation and noted sports bodies must have a mechanism to document whether a taxpayer has elected to claim the tax relief or give the relief to the sports body.

Revenue to consider wording of the amendment (interaction of dates) to ensure the amendment operates as intended.

Section 13 - Annual returns by qualifying fund managers

Section 13 introduces a new section 784BA TCA, which introduces a new reporting requirement of ARF information by qualifying fund managers.

At the meeting, as the reporting requirements will apply from 1 January 2026, practitioners queried whether there has been engagement with the qualifying fund manager industry. Revenue outlined they expect all data for the report should be readily available and highlighted that the new reporting requirement was part of the Tax Strategy papers. Revenue stated they would welcome any feedback from qualifying fund managers (via the TALC forum).

Section 15 – Automatic enrolment retirement savings system

Section 15 re-inserts Chapter 2E into Part 30 of the TCA, which is the legislation to govern the taxation elements of the new Automatic Enrolment Retirement Saving Scheme (the "AE Scheme") (being a policy initiative from the Department of Social Protection).

Prior to the meeting, practitioners made a submission to Revenue on several issues relating to income tax, including the AE Scheme. At the meeting, practitioners stressed the importance for guidance on the taxation of the AE scheme including cross border arrangements. Revenue explained they are in the process of finalising a response to the wider submission made by the Irish Tax Institute to Revenue's Personal Division, which should be available shortly. It was confirmed by Revenue that any queries relating to confirmations on the scope of AE, concessions, etc., were a matter solely for the Department of Social Protection.

Practitioners agreed to formally request members from the relevant team in the Department of Social Protection to attend the next TALC Direct and Capital Taxes Sub-Committee meeting.

Section 22 – Amendment of section 825C of Principal Act (special assignee relief programme)

Section 22 extends for a five year period and makes a number of amendments to the SARP. Amendments include increasing the minimum employment income used in the calculation of the relief to €125,000 and allow an employee qualify for relief where the employer certification is made after 90 days but within 180 days from the employees arrival in Ireland.

Practitioners welcomed the extension of the relief and amendments to the SARP. At the meeting, practitioners queried the rationale for curtailment of relief where a claim is made between 90 and 180 days (relief is limited to a maximum of four consecutive tax years in such circumstances). Revenue noted this was a matter of policy and read out the following statement from the Department of Finance on the matter:

"As SARP is a generous Income Tax relief, it is appropriate that deadlines continue to be in place for submission of documentation to Revenue and proportionate penalties are in place where deadlines are not met.

Furthermore, it ensures that the relief is targeted towards special assignees in line with the policy objective of the relief, as opposed to those who subsequently realise that they meet the criteria for the relief by happenstance.

Owing to the significant feedback received calling for a more practical approach and the need for balance between easing the administrative requirement and appropriate governance, the 90-day employer certification deadline is being amended. If this 90-day timeline is not met, but within 180 days of the employee's arrival in Ireland, the employer has submitted certification to Revenue, SARP may not be claimed in respect of the first year of residence, but may be claimed for a four-year period after this where the employee continues to meet conditions.

Presently if this scenario arose the employee would be disqualified from claiming SARP in its entirety. The proposed change significantly reduces this penalty to a one-year disqualification only."

Section 31 – Estimate of tax due

Section 31 inserts a new section 959AX TCA to permit Revenue to make an estimate of tax where an individual or a company has failed to file a tax return.

At the meeting, practitioners sought clarification on the rationale for the new provision in light of the existing section 959AC TCA (which allows Revenue to issue an assessment where a taxpayer has failed to file a tax return). Revenue outlined the purpose of the new provision is to address non-filers issue and allows Revenue to make an estimate on a bulk issue basis (it was noted that Revenue officers are required to exercise their best judgment under section 959AC TCA). Revenue confirmed, where a taxpayer fails to file a tax return and an amount of tax payable is estimated by Revenue under section 959AX TCA, normal enforcement procedures will apply where the taxpayer fails to act by either filing a return or confirming he/she/it are not a chargeable person for the relevant period covered by the estimate.

Furthermore, in respect of subsection 4 which allows a taxpayer to displace the estimated tax by submitting a return and payment of any tax due together with interest, penalties and surcharge in connection with the tax due, Revenue outlined that the self-assessment filed by the taxpayer will replace the estimated tax under the new section 959AX TCA.

In addition, where a taxpayer is not a chargeable person for the tax period in question and notifies Revenue in writing, subsection 4 operates to disapply any estimated tax under section 959AX TCA. Practitioners highlighted the new provision will place additional burden on some non-resident taxpayers, and certain resident taxpayers who have ceased to trade, to de-register for income / corporation tax to displace any estimated tax. Revenue confirmed guidance will be published on section 959AX TCA in due course.

Section 34 - Amendment of Chapter 2 of Part 29 of Principal Act (scientific and certain other research)

Section 34 provides a number of amendments to the R&D corporation tax credit, including increasing the rate to 35%, increasing the cap of the first instalment to €87,500 and clarify that relevant expenditure on R&D buildings includes expenditure on a laboratory for use in the carrying on of R&D activities.

At the meeting, practitioners highlighted that the amendment to the definition of relevant expenditure to include expenditure on certain laboratories contains an exclusion for office space (and spaces ancillary to the purpose of an office). Practitioners outlined that R&D activities generally require analysts and technicians to perform 'desk based R&D work' and requested clarification that the exclusion for office space should only apply to areas occupied by staff who are not performing R&D activity. Revenue confirmed they would take such points into account when preparing guidance on the new provision.

Section 35 – Taxation of certain body corporates

Section 35 inserts a new section 1009A into the TCA, which provides that a foreign body corporate and its members will be chargeable to tax on the basis that the foreign body corporate is a partnership where the foreign body is substantially similar to an Irish partnership.

At the meeting, highlighting the potential broad and therefore potential unintended consequences of the application of the new section, practitioners requested clarification of its purpose and what it seeks to achieve. Revenue clarified that the purpose of the new section 1009A TCA is to place the current case law position on the classification of a foreign entity on a statutory footing and expect that most taxpayers will not need to undertake any additional analysis to comply with the new section.

Section 38 - Exemption from dividend withholding tax for certain investment limited partnerships

Section 38 amends Part 6 of the TCA to allow dividends to be paid free from dividend withholding tax to an investment limited partnership authorised under the Investment Limited Partnerships Act 1994 or to an “equivalent partnership” authorised in the EEA in certain circumstances. Application is subject to the operation of the outbound payment rules.

At the meeting, practitioners welcomed the amendments but queried (i) when the relevant form / supporting declaration will be available (in light of the provision becoming applicable to dividends from 1 January 2026) and (ii) interaction of the outbound payments rule (in particular whether relief would be available in practice to widely held partnerships). Practitioners noted that example 5.1.4 in the TDM Part 33-05-01 Outbound Payment Defensive Measures was updated following the passing into law of the Finance (Local Property Tax and Other Provisions) (Amendment) Act 2025 and its usefulness has been reduced. Practitioners queried whether Revenue intended to review this example again.

Revenue confirmed the supporting declaration form should be available well in advance of 1 January. Revenue agreed to review any written submissions from practitioners on application of the outbound payment provisions to the new dividend withholding tax exemption (noting the update to example 5.1.4. reflects the update to the legislation and there are no current plans to update example 5.1.4. of the TDM).

Section 40 - Enhanced deduction for eligible construction expenditure

Section 40 inserts section 81E into Part 4 of the TCA, providing for an enhanced deduction for certain eligible expenditure incurred on the construction of a qualifying apartment block.

At the meeting, practitioners highlighted concerns raised by the industry including (i) the beneficial ownership requirements in the definition of ‘relevant person’ for the purposes of the draft section 81E(1) is likely to cause substantial uncertainty and confusion for forward-funding arrangements and (ii) the exclusion of developers with income from an excepted trade in the definition of ‘relevant property development trade’ in section 81E(1) seems to unfairly limit the relief (it should only be limited to expenditure incurred in relation to that part of the trade that is excepted).

Revenue noted concerns raised by practitioners regarding forward funding arrangements and will take into account as part of engagement with the broader industry. In respect of issue (ii), Revenue outlined enhanced relief should only be available in computing trading income chargeable to tax at the 12.5% rate and practitioners agreed to provide a written submission on the potential issue where a taxpayer carries on a normal trade and an excepted trade.

Section 41 - Amendment of section 291A of Principal Act (intangible assets)

Section 42 - Amendment of section 400 of Principal Act (company reconstructions without change of ownership)

Sections 41 and 42 make a number amendments to the application of section 291A TCA, including extending the ringfencing provisions and 80% cap contained in subsection 6 of s.291A TCA to balancing allowances arising in respect of specified intangible assets and clarifications on the application of section 291A where the acquisition of the specified intangible asset occurs on the transfer of a trade to which section 400 applies.

At the meeting, following discussion between practitioners and Revenue, Revenue confirmed balancing allowances arising on a balancing event and subject to the ringfencing provisions or 80% cap under the new provisions may be carried forward as an “excess amount” and utilised in future accounting periods subject to the conditions provided for in section 291A. Revenue is to issue guidance on the new provision (and is happy to consider examples from practitioners).

Revenue confirmed that the amendments to section 400 TCA are to put existing Revenue interpretation on a statutory footing and confirmed Revenue will accept returns filed on the basis that the amendments provided for in section 42 applied in respect of accounting periods and transfers of trade which occur prior to the commencement of the amendments, provided the necessary conditions are satisfied. Revenue will provide clarity in guidance.

Section 43 - Amendment of section 481 of Principal Act (relief for investment in films)

Section 43 amends section 481 TCA to introduce an enhanced tax credit of 40% for qualifying visual effects projects.

At the meeting, practitioners raised queries in respect of the meaning of 'visual effects projects', including the distinction between a qualifying film in parts (a) and (b) of the definition of a 'visual effects project'.

Revenue outlined that the provision is aimed at incentivising VFX work in Ireland and confirmed, in respect of the definition of 'visual effects project', the intention of the policy is for part (a) to capture a VFX house which only undertakes relevant visual effects work and does not undertake any other work on the qualifying film and part (b) to capture people who undertake relevant visual effects work and other work on the qualifying film.

Section 47 - Amendment of section 840A of Principal Act (interest on loans to defray money applied for certain purposes)

Section 47 amends section 840A TCA to allow an interest deduction for the acquirer of an asset where, subject to certain conditions, there is an intra-group sale of the asset for bona fide commercial purposes, which is funded by connected party borrowings, and the seller was entitled to a deduction for interest payable on a loan used to acquire the asset concerned immediately before the intra-group sale.

At the meeting, practitioners flagged certain anomalies with the legislation which are policy in nature. Revenue outlined the intention behind the new provision is to maintain interest deduction for taxpayers and agreed to share such concerns with the Department of Finance.

Practitioners also queried whether the new measures are applicable to replacement loans within the meaning of section 840A TCA. Revenue agreed to consider application of the new provision to replacement loans in further detail (noting safeguards elsewhere in legislation).

Section 90 - Amendment of section 811C of Principal Act (transactions to avoid liability to tax)

Section 90 amends section 811C(4) TCA. Section 811C(4) TCA provides that where a person has submitted a return, declaration, statement or account, or makes a claim, Revenue can withdraw a tax advantage arising from a tax avoidance transaction. The amendment provides that Revenue can also withdraw that tax advantage where it has arisen from any other actions taken or failed to be taken by the person.

At the meeting, Revenue confirmed the amendment is clarificatory in nature and it was always Revenue's position that section 811C TCA could apply where taxpayer failed to act (eg failed to file a tax return).

Section 96 - Amendment of section 959AP of Principal Act (payment of preliminary tax by direct debit)

Section 96 amends section 959AP TCA, to facilitate Direct Debit Modernisation for preliminary income tax. The amendments include removal of the requirement for the Collector-General to debit the taxpayer's bank account on the 9th of each month under a direct debit arrangement for preliminary income tax.

At the meeting, practitioners queried the date on which the preliminary tax will be deducted from the taxpayer's account under a variable direct debit arrangement going forward. Revenue confirmed that debits continue to occur on the 9th of each month or first working day thereafter.

Section 97 - Amendment of section 959AU of Principal Act (date for payment of tax: amended assessments)

Section 97 amends section 959AU TCA to clarify that, where an assessment is amended more than once, the date for payment of tax arising from a second or subsequent amended assessment is determined in isolation from the due date for tax arising from the first amended assessment.

At the meeting, practitioners noted a potential drafting error in section 97(b) where it refers to the 'assessment, before its amendment, did not contain a full and true disclosure' (queried whether the section should refer to the 'return, before its amendment, did not contain a full and true disclosure'). Revenue agreed there appeared to be a drafting error and a correction should be included at committee stage.

Section 98 - Amendment of section 959I of Principal Act (obligation to make a return)

Section 98 adds a new subsection (6) to section 959I of the TCA 1997 to provide that claims for allowances, deductions or reliefs can be made in a return that is filed late by a chargeable person for a chargeable period, except in circumstances where such a claim is precluded by other provisions in the Acts.

At the meeting, practitioners welcomed the amendment which provides much needed comfort for taxpayers. However practitioners highlighted that the legislation appeared to omit elections. Revenue confirmed the intention is for the provision to include elections, however, if a provision provides that an election must be made by a particular date then that date would still apply. Revenue agreed to consider this issue in further detail to ensure the provision will operate as intended.

Attendees at this meeting:

Revenue	ITI	CCAB-I	Law Society
Tom James	Clare McGuinness	Gearóid	Maura Dineen (Chair)
Déirdre Fahy	Stephen Ruane	O'Sullivan	Aidan Fahy
Karen Carey	Lorraine Sheegar	Enda Faughnan	John Cuddigan
John Kelly	Tom Maguire	Ken Garvey	Aileen Keogan
Liam Smith	David Fennell	Noreen Lehane	Padraic Courtney
Eleanor Smiley	Laura Lynch	Peter Vale	Deirdre Fox
Jackie O'Callaghan	Lorraine Mulligan	Laura McKeown	James Sommerville
Lucy Whelan	Pat Mahon	Mairead Hennessy	David Lawless
Anita Cassidy	Mark Barrett	Grainne	
Aisling Dooley	Anne Gunnell	McDermott	
Rory Noone	Fiona Carney		
Áine Gorman	James McMahon		
Mary Treacy			
Clare Lucey			
Michelle Mangan			
Alan Carey			
John Quigley			
Aimee O'Regan			
David Macauley			
Karen Drake			
Sinead McNamara			

Apologies: []