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# Revenue writes off €222m in taxes as firms struggle

## Tax and duty take for last year down €8bn

UNA McCAFFREY

THE REVENUE Commissioners wrote off €222 million in taxes last year, mostly because businesses became insolvent or ceased trading.

The figure was 72 per cent ahead of 2008, with almost two-thirds of the total due to receivership, liquidation, bankruptcy or examinership.

Issuing the tax authority's annual report yesterday, chairwoman Josephine Feehily said Revenue had identified problems linked to a further €195 million in business taxes and had entered into special arrangements for repayment by instalments in 14,100 cases at the end of March.

She warned, however, that Revenue's focus remained on "timely compliance and payment of tax".

"We cannot and will not be a banker or a lender of last resort," Ms Feehily said, "and we must deliver our support to business in a way that ensures we do not put compliant businesses at a competitive disadvantage."

She urged businesses facing problems to approach Revenue early.

Revenue took in €33.3 billion in

net tax and duty last year, down almost €8 billion on the previous year. Ms Feehily said this was a "stark reminder of the extent of the fiscal crisis facing this country".

She also pointed to outstanding tax debt, which amounted to €2.11 billion last year, up from €1.86 billion in 2008 and marking a 91 per cent increase in three years. "The scale of the tax challenge arising from this is very significant."

Revenue completed almost 12,500 full audits last year, yielding €602 million, which was up 5.7 per cent on 2008.

It also carried out more than 361,000 less intensive checks in 2009, yielding €68 million.

Special investigations continued to yield significant sums in 2009, with a trawl of trusts and offshore structures delivering €17.6 million from 94 cases.

The authority will extend the scope of its offshore investigation later this year when it starts to receive details of money transfers worth more than €5,000 to and from Switzerland, Liechtenstein, Isle of Man, Jersey and Guernsey.

This information will cover the 12 years to 2008 and will include

electronic transfers as well as cheques and drafts drawn in the State and sent abroad, or vice versa. Ms Feehily expects the first tranche of data to filter through in June.

New powers gained by Revenue through this year's Finance Act, will allow the authority to access certain information on developers as uncovered by the National Asset Management Agency (Nama), although no such data have yet been shared.

Revenue placed special focus on tobacco smuggling last year making 10,600 seizures, amounting to 218 million cigarettes worth €92 million. So far in 2010, 2,100 seizures have been made, bringing in 1,200 kilos of tobacco and 64 million cigarettes.

"We are determined to keep a very sharp focus on tobacco smuggling this year," Ms Feehily said.

Drugs with an estimated street value of €39 million were seized, and €1.35 million of suspected criminal cash was detained at ports and airports in 2009.

Counterfeit goods, such as DVDs, sportswear and handbags, were also seized, with their total worth amounting to about €2.5 million.