

Chapter 12

Revenue

Revenue Collection

Revenue Collection

12.1 This chapter examines

- Revenue's collection performance in 2009
- the tax outstanding at 31 March 2010
- the amount of tax written off in 2009
- the results of the audit of the Revenue Account.

Revenue Collection and Repayment

12.2 The gross amount collected by Revenue declined from €60.1 billion in 2008 to €50.7 billion in 2009. When the amounts collected on behalf of other Departments and agencies are excluded, €41.3 billion of the 2009 gross collection was attributable to the core revenue of the State (€50.1 billion in 2008).

12.3 €8.1 billion of the gross collection was repaid to taxpayers in 2009 (€9.2 billion in 2008). These repayments represented 20% of gross taxes and duties collected (18% in 2008). Repayments in three taxheads account for 98% of all repayments — VAT, Income Tax and Corporation Tax. Chapter 16 examines repayments.

12.4 The total gross collection, the amounts attributable to other agencies and repayments are summarised in Figure 48.

Figure 48 Collection and Repayment of Revenue

| | 2008 | 2008 | 2009 | 2009 |
|--|---------|---------------|---------|---------------|
| | €m | €m | €m | €m |
| Gross Collection | | 60,061 | | 50,744 |
| <i>Less Attributable to other Departments and Agencies</i> | | | | |
| PRSI ^a | (9,779) | | (9,291) | |
| Tobacco Levy ^b | (168) | | (168) | |
| Environmental Levy | (26) | | (24) | |
| Other | (5) | (9,978) | (3) | (9,486) |
| Gross Taxes and Duties Collected | | 50,083 | | 41,258 |
| <i>Less Repayments of Taxes and Duties</i> | | (9,178) | | (8,148) |
| Net Taxes and Duties Collected^c | | 40,905 | | 33,110 |

Notes:

- a PRSI comprises a social insurance contribution, the National Training Fund levy and the health levy. Residual amounts of the now abolished employment and training levy are also included here. Net receipts were €9,209 million (€9,708 million in 2008) after taking account of repayment of €82 million (€71 million in 2008).
- b Section 3 of the Appropriation Act 1999 (as amended) provides that each year an amount determined by the Minister for Finance shall be paid to the Health Service Executive from the proceeds of tobacco excise. This is known as the Tobacco Levy and the Minister for Finance has determined that the amount payable should be the maximum amount permissible under the Act – €167,605,000.
- c This includes some €114 million collected in 2009 as part of the various special investigations being carried out by Revenue (see Chapter 14).

12.5 The gross collection, repayments and net collection for each taxhead are set out in Figure 49 together with the percentage change in net receipts in 2009. Income Tax receipts in 2009 include an estimated €1.1 billion in respect of the income levy introduced with effect from 1 January 2009⁹⁶. Included in Income Tax repayments is €216 million in respect of an age related health insurance tax credit introduced in 2009⁹⁷. This is partly offset by the introduction of a related levy on health insurance companies, the proceeds of which are included in Stamp Duties⁹⁸ (€197 million). The credit and related levy are temporary measures for the three years to 2011 and are intended to be revenue neutral over that period.

Figure 49 Tax Collected and Repaid by Taxhead

| Taxhead | 2009 | 2009 | 2009 | 2008 | Percentage Change |
|---------------------------|----------------|----------------|---------------|---------------|-------------------|
| | Gross Receipts | Repayments | Net Receipts | Net Receipts | |
| | €m | €m | €m | €m | |
| Income Tax ^a | 15,068 | (3,229) | 11,839 | 13,195 | (10%) |
| Value Added Tax | 13,963 | (3,325) | 10,638 | 13,432 | (21%) |
| Excise | 4,782 | (48) | 4,734 | 5,432 | (13%) |
| Corporation Tax | 5,335 | (1,445) | 3,890 | 5,071 | (23%) |
| Stamp Duties ^b | 1,024 | (23) | 1,001 | 1,763 | (43%) |
| Custom Duties | 212 | (4) | 208 | 245 | (15%) |
| Capital Acquisitions Tax | 268 | (12) | 256 | 343 | (25%) |
| Capital Gains Tax | 606 | (62) | 544 | 1,424 | (62%) |
| Total | 41,258 | (8,148) | 33,110 | 40,905 | (19%) |

Notes:

- a PAYE accounts for €8.5 billion of net Income Tax receipts (€10.1 billion in 2008).
- b The Finance (No. 2) Act 2008 provided for an incentive scheme to encourage the presentation of instruments for stamping which had not been presented to Revenue within the required time limits. Provided such instruments were presented for stamping and the duty and interest due was paid within 56 days from the passing of the Act, no further penalty was payable. The deadline was 17 February 2009. Under the Scheme a total of 4,036 instruments were presented to Revenue resulting in the collection of €64.9 million (including interest of €12 million), almost all of which was received in 2009.

⁹⁶ Section 2, Finance Act 2009.

⁹⁷ Section 22, Health Insurance (Miscellaneous Provisions) Act 2009.

⁹⁸ Section 26, Health Insurance (Miscellaneous Provisions) Act 2009.

Payover to the Exchequer

12.6 The net proceeds available to the Exchequer for the year was €33.1 billion (€40.9 billion in 2008). €3 billion was paid to the Exchequer⁹⁹ in 2009 a decline of almost €8 billion over 2008 (€40.8 billion).

12.7 Much of this decline was projected with the 2009 Supplementary Budget Exchequer target for tax revenues set at €34.4 billion. In the event, a tax revenue deficit against forecast of €1.4 billion was experienced in the year. The shortfall by individual taxhead is set out in Figure 50. There was a shortfall against forecast of €1,585 million on six taxheads. Income Tax and VAT made up 88% of this shortfall. There was an excess over forecast in the case of Excise (€68 million) and Corporation Tax (€160 million).

Figure 50 2009 Tax Revenue Paid to Exchequer compared to Forecast

| Taxhead | Forecast | Payments to Exchequer | Excess/(Shortfall) | |
|--------------------------|---------------|-----------------------|--------------------|-------------|
| | €m | €m | €m | % |
| Income Tax | 12,475 | 11,835 | (640) | (5%) |
| Value Added Tax | 11,420 | 10,670 | (750) | (7%) |
| Excise | 4,634 | 4,702 | 68 | 1% |
| Corporation Tax | 3,740 | 3,900 | 160 | 4% |
| Stamp Duties | 980 | 930 | (50) | (5%) |
| Custom Duties | 230 | 209 | (21) | (9%) |
| Capital Acquisitions Tax | 295 | 254 | (41) | (14%) |
| Capital Gains Tax | 625 | 542 | (83) | (13%) |
| Total | 34,399 | 33,042 | (1,357) | (4%) |

12.8 Tax forecasts are prepared by the Department of Finance with the assistance of Revenue. Each taxhead is forecast separately using estimates of relevant macroeconomic drivers and, where appropriate, elasticity factors. The basic methodology is to estimate the base year outturn for each taxhead, adjust for known one-off factors and apply a forecast of the relevant macroeconomic driver to this adjusted outturn. Macroeconomic drivers include, for example, the projected change in personal consumption in the case of VAT and the projected changes in earnings and employment for PAYE. The forecasts of the relevant macroeconomic drivers used are those produced by the Department of Finance. As a check on the individual taxhead forecasts, the change in aggregate tax is estimated using a one for one relationship with forecasts of the change in the nominal level of Gross Domestic Product.

12.9 Information on total losses being carried forward for relief in future years is not readily available (See Chapter 17). The Accounting Officer informed me that if such information were available, it could not be easily or reliably integrated into Budget forecasting methodology to, for example, estimate the likely effect of any losses 'overhang' on future tax collection. This is because losses carried forward will be available for future offset over an indeterminate period, where the breakdown between one year and another will be unknown. Furthermore, the base for forecasting the following year's no-policy-change tax yield (before applying appropriate macro-

⁹⁹ The amount paid to the Exchequer over time takes account of suspense balances in cases where a taxpayer has paid taxes but they are not allocated. The amount prepaid at 31 December 2009 was €132 million (€200 million prepaid at 31 December 2008).

economic predictors and other factors) is the current year's expected outcome, which already reflects losses utilised.

12.10 However, based on information available from Revenue's monitoring of the largest companies, a provision for an expected reduction in Corporation Tax of €500 million each year has been included in the forecasts for 2009 and 2010 due to the losses arising from the 2008 financial crisis or subsequently. An adjustment to provide in the forecasts for a recovery of €50 million of this cost in 2011 and a further €100 million in 2012 has also been included.

12.11 The Accounting Officer stated that the budget forecast anticipated much of the year-on-year reductions that emerged but nevertheless there was a shortfall of €1.4 billion. Where there was a shortfall against forecast for individual taxheads these were due to the following factors, the impact of which was not fully anticipated in framing the forecast

- weak labour market conditions
- low levels of consumer spending
- a further decline in property and share values.

12.12 Payments to the Exchequer exceeded forecast for two taxheads

- Corporation Tax where the excess was mainly due to a large once-off payment, and
- Excise which exceeded target for all duty types with the exception of Vehicle Registration Tax and duty on spirits.

Taxes and PRSI Outstanding

12.13 Figure 51 shows the amount of tax outstanding for each category of tax and summarises the charges raised, the payments made and the amounts written off in the twelve-month period ended on 31 March 2010. Total tax outstanding at the end of March 2010 has increased by €251 million to €2,112 million or 13% over the amount outstanding at March 2009.

Figure 51 Outstanding Taxes and PRSI^a

| Balance at 31 March 2009 | Tax or Levy | Net Charges Raised ^b | Paid | Written Off | Balance at 31 March 2010 | Analysis of Balance at 31 March 2010 | |
|--------------------------|--|---------------------------------|---------------|-------------|--------------------------|--------------------------------------|--------------------------|
| | | | | | | Under Appeal | Available for Collection |
| €m | | €m | €m | €m | €m | €m | €m |
| 461 | VAT | 10,036 | 9,756 | 108 | 633 | 119 | 514 |
| 150 | PAYE | 11,644 | 11,596 | 25 | 173 | 13 | 160 |
| 212 | PRSI | 9,372 | 9,292 | 38 | 254 | 3 | 251 |
| 363 | Income Tax (excluding PAYE) | 2,379 | 2,304 | 12 | 426 | 139 | 287 |
| – | DIRT | 562 | 562 | – | – | – | – |
| 364 | Corporation Tax | 4,114 | 4,158 | 5 | 315 | 247 | 68 |
| 251 | Capital Gains Tax | 511 | 515 | 3 | 244 | 140 | 104 |
| 3 | Capital Acquisitions Tax | 256 | 256 | – | 3 | – | 3 |
| 5 | Abolished Taxes | – | – | – | 5 | – | 5 |
| 52 | Relevant Contracts Tax ^c | – | (27) | 20 | 59 | 8 | 51 |
| 1,861 | Total | 38,874 | 38,412 | 211 | 2,112 | 669 | 1,443 |
| 4.2% | Debt as % of net charges raised | | | | 5.4% | 1.7% | 3.7% |

Notes:

- a Tax is regarded as outstanding from the date the liability is placed on the taxpayer's record - usually as a result of the receipt of a return or the raising of an estimate.
- b Net charges raised in the year to March 2009 were €44,700 million.
- c Relevant Contracts Tax net charges raised comprises assessments and declarations relating to principal contractors of €367.3 million, less claims of €367.7 million from sub-contractors. The net repayment of €27 million comprises €345.4 million received from principal contractors and €372.6 million repaid to sub-contractors (or offset against other tax liabilities).

12.14 Of the total outstanding, €669 million is the subject of an appeal by the taxpayer and, while the appeals are being disposed of, Revenue is prevented from seeking to collect it. This is an increase of €41 million or 7% over the amount under appeal twelve months previously. The balance of €1,443 million which is available for Revenue to collect, has increased by €210 million or 17% over the March 2009 amount.

12.15 Figure 52 sets out an aged analysis of the balance outstanding at 31 March 2010 and shows that 26% of the amount outstanding related to the most recent tax period (2009). In March 2009, the amount outstanding for the then most recent period (2008) represented 30% of the total outstanding. Some 57% of the amount outstanding relates to tax periods prior to 2008.

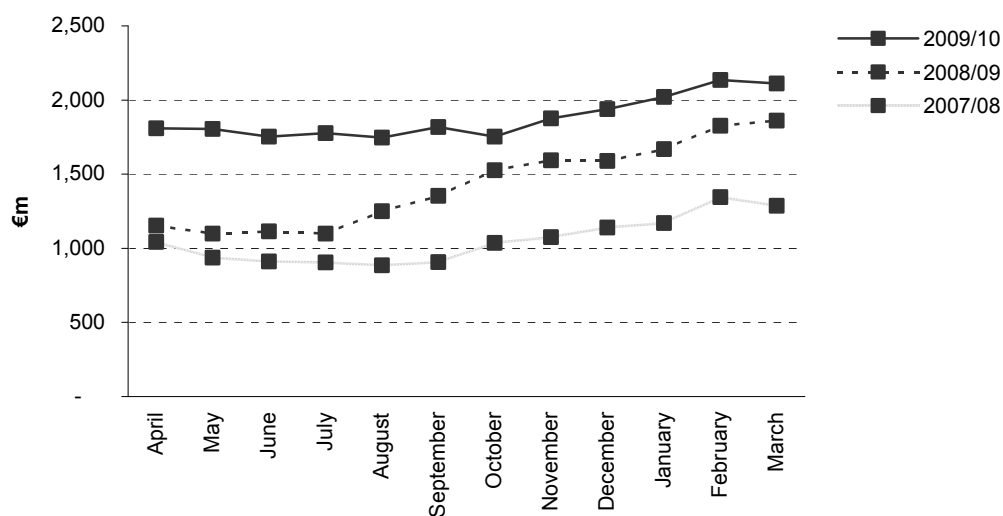
Figure 52 Aged Analysis of Debt at 31 March 2010

| Taxhead | Total Tax Outstanding at 31 March 2010 | Amounts Outstanding for 2009 | Amounts Outstanding for 2008 | Due for 2005 to 2007 | Due for earlier periods (i.e. > 5years old) |
|--------------------------|--|------------------------------|------------------------------|----------------------|---|
| | €m | €m | €m | €m | €m |
| VAT | 633 | 274 | 137 | 121 | 101 |
| PAYE | 173 | 89 | 32 | 32 | 20 |
| PRSI | 254 | 148 | 54 | 37 | 15 |
| Income Tax | 426 | 3 | 86 | 136 | 201 |
| Corporation Tax | 315 | 23 | 23 | 44 | 225 |
| Capital Gains Tax | 244 | 2 | 22 | 77 | 143 |
| Capital Acquisitions Tax | 3 | - | - | - | 3 |
| Abolished Taxes | 5 | - | - | - | 5 |
| Relevant Contracts Tax | 59 | 11 | 9 | 31 | 8 |
| Total | 2,112 | 550 | 363 | 478 | 721 |
| Comparator ^a | 1,861 | 559 | 276 | 531 | 495 |

Note:

a These are the corresponding figures for the amount outstanding twelve months previously.

12.16 The total tax outstanding has risen over the period as depicted in Figure 53, which also shows the monthly movement in the twelve-month periods to March 2008 and March 2009.

Figure 53 Monthly Debt Outstanding

12.17 The increase in the amount of tax outstanding in the latter months of each year is largely due to increases in Income Tax and Capital Gains Tax in October and November when returns for both taxes are due. Similarly, the amount of PAYE and PRSI outstanding increases in February when the annual P35 return is due.

12.18 The Accounting Officer stated that the economic and financial environment in which Revenue and its customers operate has been extremely challenging over the last number of years. She said that the 91% increase in the amount of tax outstanding from €1.1 billion in March 2007 to €2.1 billion in March 2010, reflects the financial distress that many businesses are experiencing.

Write-Offs of Tax and PRSI

12.19 In cases where Revenue is unable to collect outstanding tax or where it considers the cost of collection to be disproportionate, the outstanding amounts are written off. From an administrative viewpoint, all outstanding tax remains on the taxpayer's record but a write-off marker is placed on the computer record of the case which has the effect of halting further collection activity. Lists of all cases proposed for write-off are formally submitted to the Revenue Chairman for approval. Should the circumstances in a case change, the write-off marker is removed and collection efforts can re-commence. In 2009, the write-off marker was released for 52 cases in which €1.8 million had previously been written off.

12.20 €22 million of taxes and PRSI was written off during the year ended 31 December 2009, an increase of €3 million over 2008. Increases in the amounts written off for VAT, PAYE and PRSI account for 90% of this. The Accounting Officer stated that the increase in the amount written off reflects a rise in business failures.

12.21 €20 million of the total write-off was assessed on a case-by-case basis. The remaining €2 million, relating to 74,111 cases with balances of less than €1,000 which were considered uneconomic to pursue, was written off on an automated basis. A breakdown by taxhead of the total amount written off is shown in Figure 54. Of the €22 million written off in 2009, €04 million or 92% was in respect of fiduciary taxes¹⁰⁰.

¹⁰⁰ The fiduciary taxes are VAT, PAYE/PRSI and Relevant Contracts Tax and are collected by businesses on behalf of Revenue and held in trust until paid to Revenue.

Figure 54 Taxes Written Off

| Taxhead | 2008 | 2009 |
|------------------------|----------------|----------------|
| | €000 | €000 |
| Value Added Tax | 57,710 | 101,530 |
| PAYE | 19,831 | 37,145 |
| PRSI | 25,438 | 47,610 |
| Relevant Contracts Tax | 12,581 | 16,617 |
| Income Tax | 5,310 | 10,305 |
| Corporation Tax | 3,016 | 3,889 |
| Capital Gains Tax | 985 | 2,610 |
| Automatic Write-Offs | 4,125 | 1,842 |
| Total | 128,996 | 221,548 |

12.22 The reason for each write-off is recorded and Figure 55 sets out the number of cases and the amount written off for each category. Approximately 88% (€195 million) of the amount written off arose in cases where businesses had ceased or encountered difficulties. The balance of €27 million relates to cases where the amount outstanding was not collected due to factors such as an inability to locate the taxpayer, a decision by Revenue that the amount outstanding did not warrant committing resources to collecting it and compassionate grounds. Three categories account for 93% of the increase in the amount written off – liquidation/receivership/bankruptcy, ceased trading and uneconomic to pursue.

Figure 55 Reasons for Write-Off

| Reason | 2008 | 2008 | 2009 | 2009 |
|--|-----------------|----------------------------|-----------------|----------------------------|
| | Number of Cases | Amount Written Off €000 | Number of Cases | Amount Written Off €000 |
| Business Cessation/Difficulty | | | | |
| Liquidation/Receivership/Bankruptcy | 728 | 78,041 | 1,260 | 131,876 |
| Ceased trading – no assets | 709 | 26,633 | 1,000 | 47,533 |
| Uncollectable due to financial circumstances of taxpayer | 134 | 3,752 | 233 | 7,148 |
| Examinership | 24 | 4,839 | 28 | 7,497 |
| Deceased and Estate Insolvent | 26 | 355 | 49 | 746 |
| Other Reasons | | | | |
| Cannot be traced/Outside Jurisdiction | 199 | 6,491 | 209 | 6,409 |
| Uneconomic to pursue ^a | 240,445 | 7,404 | 76,067 | 18,961 |
| Compassionate Grounds | 101 | 1,323 | 76 | 1,197 |
| Unfounded Liability | 32 | 158 | 20 | 181 |
| Total | 242,398 | 128,996 | 78,942 | 221,548 |

Note:

a Includes 74,111 cases written off automatically (239,909 in 2008).

12.23 The largest single amount written off in 2009 was €3.46 million in respect of VAT and PAYE/PRSI. There were 15 other cases where the amount written off was greater than €1 million.

12.24 The Internal Audit Branch in Revenue undertakes an annual examination of tax write-offs. Its 2009 audit examined a sample of 269 cases, representing 30% (€65 million) of the value of non-automated write-offs (€220 million). Internal Audit were satisfied that all write-offs were in accordance with the criteria prescribed. Internal Audit also examined the results of the automatic write-offs in 2009 and verified that the authorised selection criteria were correctly applied.

Audit of Revenue Account

12.25 Under the Comptroller and Auditor General (Amendment) Act 1993 I am required to

- carry out such examinations as I consider appropriate in order to ascertain whether systems, procedures and practices have been established that are adequate to secure an effective check on the assessment, collection and proper allocation of the revenue of the State and to satisfy myself that the manner in which they are being employed and applied is adequate
- examine the account of revenue received and paid over to the Exchequer by the Revenue Commissioners (the Revenue Account) in order to satisfy myself as to its completeness and accuracy and to report to Dáil Éireann on the results of my examination.

12.26 On a cyclical basis I examine Revenue's systems for the assessment and collection of tax.

12.27 I form an opinion on the completeness and accuracy of the Revenue Account on the basis of the examination and testing carried out by my Office on the various receipting, repayment and accounting systems within Revenue. I also take assurance from the systems work referred to above.

Audit Conclusion

The Revenue Account together with my opinion thereon is set out in Annex A. I have given a clear report on that account.

Annex A Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2009

Statement by Accounting Officer on Internal Financial Controls

Responsibility for system of Internal Financial Control

As Accounting Officer I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by the Office. This responsibility is exercised in the context of the resources available to me and my other obligations as Head of Office. Also, any system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely manner. Maintaining the system of internal financial controls is a continuous process and the system and its effectiveness are kept under ongoing review.

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows:

Financial Control Environment

I confirm that a control environment containing the following elements is in place:

- financial responsibilities have been assigned at management level with corresponding accountability
- reporting arrangements have been established at all levels where responsibility for financial management has been assigned
- formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action
- there is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system.

Administrative Controls and Management Reporting

I confirm that a framework of administrative procedures and regular management reporting is in place including segregation of duties and a system of delegation and accountability and, in particular, that

- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the Office
- there are systems aimed at ensuring the security of the ICT systems.

Internal Audit

I confirm that the Office has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Office is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

Josephine Feehily
Accounting Officer
Office of the Revenue Commissioners
31 March 2010

Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2009

Report of the Comptroller and Auditor General

I have examined the financial statements relating to the receipt and disposal of Revenue of the State during the year 2009 collected by the Revenue Commissioners set out on pages 172 to 177 under Section 3(7) of the Comptroller and Auditor General (Amendment) Act 1993.

The financial statements, which have been prepared under the accounting policies therein, comprise the Accounting Policies, the Account of the Receipt of Revenue of the State collected by the Revenue Commissioners and the related notes.

Respective Responsibilities of the Revenue Commissioners and the Comptroller and Auditor General

The Revenue Commissioners are responsible for preparing the financial statements and for ensuring the regularity of transactions.

My responsibility is to examine the financial statements in accordance with the relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report my opinion as to whether the financial statements are properly presented in accordance with the Accounting Policies. I also report whether in my opinion proper books of account have been kept. In addition, I state whether the financial statements are in agreement with the books of account.

I report any material instance where the transactions do not conform to the authorities governing them.

I also report if I have not obtained all the information and explanations necessary for the purposes of my examination.

Basis of Opinion

In the exercise of my function as Comptroller and Auditor General, I conducted my examination of the financial statements in accordance with International Standards on Auditing (UK and Ireland) issued by the Audit Practices Board and by reference to the special considerations that attached to State bodies in relation to their management and operation. My examination was conducted on a test basis that reviewed evidence relevant to the amounts and disclosures and regularity of the financial transactions included in the financial statements. It also included an assessment of the significant estimates and judgements made in the preparation of the financial statements, and of whether the accounting policies were appropriate, consistently applied and adequately disclosed.

I planned my examination so as to obtain all the information and explanations that I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion, the financial statements properly present the receipt and disposal of the revenue collected for the year ended 31 December 2009 and the residual balances at that date.

In my opinion, proper books of account have been kept by the Revenue Commissioners. The financial statements are in agreement with them.

A handwritten signature in black ink, appearing to read 'John Buckley', with a stylized flourish at the end.

John Buckley
Comptroller and Auditor General
10 September 2010

Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2009

Accounting Policies

1. This Account presents the collection and allocation of taxes and duties by the Revenue Commissioners, and the transfer of the proceeds to the Exchequer. The accounts have been prepared pursuant to Section 3(9) of the Comptroller and Auditor General (Amendment) Act 1993.
2. No charge is included in this Account for the administration or operational costs of the Office of the Revenue Commissioners. Funds for this purpose are voted by the Oireachtas and accounted for in the annual Appropriation Account for Vote 9 - Office of the Revenue Commissioners.
3. Amounts received in respect of penalties and interest imposed by the Revenue Commissioners are brought to account with the related tax and duty settlements. Court fines and penalties are brought to account as Appropriations-in-Aid of Vote 9.
4. This Account also presents the receipts collected by the Revenue Commissioners for other Government departments and agencies as follows
 - Department of Social and Family Affairs (PRSI Contributions).
 - Health Service Executive (Health Levy & Tobacco Levy).
 - Department of Environment, Heritage and Local Government (Environmental Levy on Plastic Bags).
 - Department of Enterprise, Trade and Employment (Employment and Training Levy).
 - Commissioners of Irish Lights (Light Dues).
 - Department of Transport (Marine Fees).
 - Fee Stamps in respect of Registry of Deeds, Arbitration Fees and Fee Stamps in respect of Companies Registration Fees (paid to the Department of Finance as Miscellaneous Revenue).
5. A charge is levied by the Revenue Commissioners for the collection of PRSI Contributions, the Environmental Levy on Plastic Bags and Light Dues. Amounts received in respect of those charges are not included in this Account but are accounted for as Appropriations-in-Aid of Vote 9.
6. The Account has been prepared on a cash basis in accordance with the principles of Government Accounting. Except where described at paragraph 7, the Account shows the actual amounts received and paid in the year. Where further amounts of taxes, duties, etc. are received in subsequent years or where amounts received in the current or earlier years are repaid, such items are recorded in the year of receipt or repayment.
7. Certain customs and excise duties and VAT on imports are accounted for on an accruals basis in that they are recorded as receipts in the year to which they relate even though they are not received until after the year-end. The corresponding asset is included in accrued income in the Statement of Balances.
8. The gross receipts and repayment figures for each taxhead include offsets i.e. cases where the repayment is not directly paid to the taxpayer but offset against other outstanding taxes.

Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2009

| Account of the Receipt and Disposal of Revenue Collected | | | |
|---|-------|---------------------|---------------------|
| | Notes | 2009 €000 | 2008 €000 |
| Gross Receipts | | | |
| Taxes and Duties Collected | 1 | 41,425,690 | 50,251,063 |
| Receipts Collected on Behalf of Other Departments/Agencies | 2 | 9,318,329 | 9,809,999 |
| Total Gross Receipts of Revenue Collected | | 50,744,019 | 60,061,062 |
| Repayments | | | |
| Repayment of Taxes and Duties | 3 | (8,148,354) | (9,177,659) |
| Repayment of Receipts Collected on behalf of Other Departments/Agencies | 6 | (82,027) | (71,020) |
| Total Repayments | | (8,230,381) | (9,248,679) |
| Net Receipts | | | |
| Taxes and Duties Collected | 4 | 33,277,336 | 41,073,404 |
| Receipts Collected on behalf of Other Departments/Agencies | 6 | 9,236,302 | 9,738,979 |
| Total Net Receipts of Revenue Collected | | 42,513,638 | 50,812,383 |
| Disposal of Net Receipts | | | |
| Taxes and Duties Transferred to the Exchequer | 5 | (33,041,960) | (40,776,164) |
| Transfer of Tobacco Levy to Health Service Executive | 5 | (167,605) | (167,605) |
| Transfer of Receipts to Other Departments/Agencies | 6 | (9,236,044) | (9,741,943) |
| Total Disposal of Receipts of Revenue Collected | | (42,445,609) | (50,685,712) |
| Net Receipts retained at Year End | | 68,029 | 126,671 |
| Opening Balance on the Account of Receipt and Disposal of Revenue at 1 January | | (188,287) | (314,958) |
| Closing Balance on the Account of Receipt and Disposal of Revenue at 31 December | | (120,258) | (188,287) |

Any apparent discrepancies in totals are due to rounding of constituent figures

The Accounting Policies and Notes 1 to 12 form part of this Account

William Funnell
Accountant General
Office of the Revenue Commissioners

31 March 2010

Josephine Feehily
Accounting Officer
Office of the Revenue Commissioners

31 March 2010

Account of Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2009

Statement of Balances

| | Notes | 2009 €000 | 2008 €000 |
|---|-------|------------------|------------------|
| Assets | | | |
| Cash at Bank and in Hand | 7 | 161,182 | 120,200 |
| Accrued Income | 8 | 15,230 | 14,523 |
| Advances for Revenue Purposes | 9 | 63 | 82 |
| Amounts due from Government Departments | 10 | 898 | 3,159 |
| Total Assets | | 177,373 | 137,964 |
| Liabilities | | | |
| Amounts Awaiting Receipt and Allocation | 11 | (159,897) | (111,075) |
| Deposits Held | 12 | (137,734) | (215,176) |
| Total Liabilities | | (297,631) | (326,251) |
| Net Liabilities | | (120,258) | (188,287) |

Represented by:

Closing Balance on the Account of Receipt and Disposal of Revenue

| | | | |
|---|---|------------------|------------------|
| Balance of Taxes and Duties owing from the Exchequer | 5 | (131,646) | (199,417) |
| Balance of Receipts Collected and due to other Departments/Agencies | 6 | 11,388 | 11,130 |
| | | (120,258) | (188,287) |

Any apparent discrepancies in totals are due to rounding of constituent figures

The Accounting Policies and Notes 1 to 12 form part of this Account

William Funnell

31 March 2010

Accountant General

Office of the Revenue Commissioners

Josephine Feehily

31 March 2010

Accounting Officer

Office of the Revenue Commissioners

Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2009

Notes to the Account

Note 1. Gross Taxes and Duties Collected

| | 2009 | 2008 |
|--------------------------|-------------------|-------------------|
| | €000 | €000 |
| Value Added Tax | 13,962,910 | 17,991,949 |
| Income Tax | 15,068,374 | 16,592,722 |
| Corporation Tax | 5,335,053 | 6,046,034 |
| Excise Duty | 4,949,536 | 5,702,770 |
| Stamp Duties | 1,023,426 | 1,812,685 |
| Capital Gains Tax | 606,420 | 1,493,984 |
| Capital Acquisitions Tax | 267,996 | 350,536 |
| Customs Duty | 211,975 | 260,383 |
| | 41,425,690 | 50,251,063 |

Note 2. Gross Receipts Collected on Behalf of Other Departments/Agencies

| | 2009 | 2008 |
|--|------------------|------------------|
| | €000 | €000 |
| Department of Social and Family Affairs | 9,168,364 | 9,612,279 |
| Health Service Executive | 121,011 | 166,037 |
| Department of Environment, Heritage and Local Government | 24,165 | 26,287 |
| Commissioner of Irish Lights | 3,426 | 4,306 |
| Department of Enterprise, Trade and Employment | 1,280 | 958 |
| Department of Finance (Miscellaneous Revenue) | 82 | 129 |
| Department of Transport (Marine Fees) | 1 | 3 |
| | 9,318,329 | 9,809,999 |

Note 3. Repayment of Taxes and Duties

| | 2009 | 2008 |
|--------------------------|--------------------|--------------------|
| | €000 | €000 |
| Value Added Tax | (3,325,047) | (4,559,883) |
| Income Tax | (3,229,019) | (3,397,711) |
| Corporation Tax | (1,445,602) | (974,569) |
| Excise Duty | (48,192) | (103,206) |
| Stamp Duties | (22,558) | (49,272) |
| Capital Gains Tax | (61,754) | (70,052) |
| Capital Acquisitions Tax | (12,378) | (7,765) |
| Customs Duty | (3,804) | (15,201) |
| | (8,148,354) | (9,177,659) |

Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2009

Notes to the Account

Note 4. Net Receipts of Taxes and Duties

| | Gross Receipts 2009 €000 | Repayments 2009 €000 | Net Receipts 2009 €000 | Net Receipts 2008 €000 |
|--------------------------|---|-------------------------------------|---|---|
| Value Added Tax | 13,962,910 | (3,325,047) | 10,637,863 | 13,432,066 |
| Income Tax | 15,068,374 | (3,229,019) | 11,839,355 | 13,195,011 |
| Corporation Tax | 5,335,053 | (1,445,602) | 3,889,451 | 5,071,465 |
| Excise Duty | 4,949,536 | (48,192) | 4,901,343 | 5,599,564 |
| Stamp Duties | 1,023,426 | (22,558) | 1,000,869 | 1,763,414 |
| Capital Gains Tax | 606,420 | (61,754) | 544,666 | 1,423,932 |
| Capital Acquisitions Tax | 267,996 | (12,378) | 255,618 | 342,771 |
| Customs Duty | 211,975 | (3,804) | 208,171 | 245,183 |
| | 41,425,690 | (8,148,354) | 33,277,336 | 41,073,404 |

Note 5. Taxes and Duties Transferred to the Exchequer

| | Balance at 1 January 2009 €000 | Net Receipts €000 | Total Transfers €000 | Balance at 31 December 2009 €000 |
|--------------------------|---|----------------------------------|-------------------------------------|---|
| Value Added Tax | 32,533 | 10,637,863 | (10,669,652) | 745 |
| Income Tax | (6,657) | 11,839,355 | (11,835,235) | (2,537) |
| Corporation Tax | 6,889 | 3,889,451 | (3,900,306) | (3,966) |
| Excise Duty | (169,225) | 4,901,343 | (4,870,157) ¹ | (138,039) |
| Stamp Duties | (64,171) | 1,000,869 | (929,510) | 7,187 |
| Capital Gains Tax | (644) | 544,666 | (541,849) | 2,173 |
| Capital Acquisitions Tax | 476 | 255,618 | (254,258) | 1,836 |
| Customs Duty | 1,382 | 208,171 | (208,598) | 955 |
| | (199,417) | 33,277,336 | (33,209,565) | (131,646) |

¹ The amount of €4,870,157,000 includes €167,605,000 which was paid from the proceeds of Tobacco Excise Receipts to the Health Service Executive under Section 3 of the Appropriation Act 1999, as amended by the Appropriation Act 2005.

Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2009

Notes to the Account

Note 6. Transfer of Receipts to Other Departments/Agencies

| | Balance at 1 January 2009 | Net Receipts | Total Transfers | Balance at 31 December 2009 |
|--|------------------------------------|------------------------|--------------------|---|
| | €000 | €000 | €000 | €000 |
| Department of Social and Family Affairs | 7,012 | 9,086,416 ¹ | (9,085,913) | 7,515 |
| Health Service Executive | 3,214 | 121,011 | (121,753) | 2,471 |
| Department of Environment, Heritage and Local Government | 520 | 24,095 ² | (23,394) | 1,220 |
| Commissioner of Irish Lights | 239 | 3,426 | (3,589) | 77 |
| Department of Enterprise, Trade and Employment | 145 | 1,280 | (1,341) | 84 |
| Department of Finance (Miscellaneous Revenue) | (2) | 72 ³ | (50) | 20 |
| Department of Transport (Marine Fees) | 3 | 1 | (3) | 1 |
| | 11,130 | 9,236,301 | (9,236,043) | 11,388 |

1 The amount shown of €9,086,416,211 is net of repayments of €81,947,621

2 The amount shown of €24,094,667 is net of repayments of €70,026

3 The amount shown of €72,368 is net of repayments of €9,492

Note 7. Cash at Bank and in Hand

| | 2009 | 2008 |
|---|----------------|----------------|
| | €000 | €000 |
| Balance in Revenue Accounts at Central Bank | 20,837 | 28,038 |
| Cash in Hand | 140,345 | 92,162 |
| | 161,182 | 120,200 |

Cash at Bank and in Hand represents amounts held in Revenue bank accounts pending completion of processing through Revenue's accounting systems.

Note 8. Accrued Income

Accrued Income represents amounts due to Revenue which are proper to 2009 for which payment was received after the year end.

Note 9. Advances for Revenue Purposes

Advances for Revenue Purposes arise due to the operation of a local accounting procedure in Districts for Customs and Excise Duties whereby a shortfall in the collection of monies arising from items such as an unpaid cheque is temporarily met through the mechanism of an 'advance' drawn on a Revenue account. These 'advances' are subsequently cleared when payment is received from the trader.

Account of Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2009

Notes to the Account

Note 10. Amounts Due from Government Departments

Where a liability arises as a result of the importation of goods by Government Departments, the goods are released without immediate payment of duties or taxes and the Department is subsequently charged for the amount due.

Note 11. Amounts Awaiting Receipting and Allocation

| | 2009 | 2008 |
|---|-----------------------|------------------|
| | €000 | €000 |
| Unallocated Tax Deposits | (20,837) ¹ | (28,038) |
| Tax Receipts awaiting Transfer and Allocation | (141,368) | (82,872) |
| Miscellaneous | 2,308 ² | (165) |
| | (159,897) | (111,075) |

1 Unallocated Tax Deposits (UTD) comprise mainly of payments made on account during tax audits and audit settlements for which accounting instructions have not been completed. Consequently, the payments cannot be allocated to the appropriate taxheads and are held by Revenue in a UTD account in the Central Bank.

2 This balance relates mainly to amounts for which the provenance has not yet been established.

Note 12. Deposits Held

| | 2009 | 2008 |
|--|------------------|------------------|
| | €000 | €000 |
| Stamps | (1,311) | (76,032) |
| C&E Collectors | (7,845) | (6,340) |
| Automated Entry Processing system (AEP) Deposits | (128,578) | (132,804) |
| | (137,734) | (215,176) |

Deposits held represent amounts paid by taxpayers for transactions not yet processed through Revenue's accounting systems.

