

Suggestion for widening the tax base.

There is a measure of agreement that the Irish tax base needs to be widened to provide a more stable basis for tax collection. While Rates is an obvious area for consideration this form of taxation is regressive in the form applied in Ireland up to the 1970s

Here is the kernel of a suggestion for a form of rates that would avoid the most severe elements of regressive burden, contribute to the solution of the government's financial crisis and at the same time tend to be favourable to the environment. Briefly it would involve a form of tax on residential properties geared to size and ability to pay.

There appear to be some 1.5 million residential properties in Ireland, including some 1.1 million owner occupied residences, and about 150, 000 rented properties.

The tax payable would be geared to size on a scale say of the order of the following:

Standard house:	1,500 sq ft	Tax e1000.
Small apartment:	400 sq ft	Tax e250.
Larger house:	2000 sq ft	Tax e1300
Large house:	3000 sq ft	Tax e2000.
Very large house	5000 sq ft	Tax e4000

Even larger houses would attract a higher charge.

Second homes of 1500 sq ft or less should it is suggested be charged e1000.

To allow for ability to pay, exemptions would apply. These would include persons with a medical card, and persons with incomes below a certain threshold.

In the case of rented property the charge would be on the owner in order to provide for best prospect of collection. Facilities could be provided to collect tax in conjunction with income tax, and deduction could be made under PAYE. Self-employed persons could pay the tax as part of their annual tax payment. Income tax return forms would include questions on liability for rates.

Rateable valuations on properties that were rated, and rating did continue for some years after residential rates were abolished, could be used as a cross check on returns.

Figures are not readily available to estimate a range of yields.

The tax would contribute to environmental conservation in the long term by discouraging building of large or very large houses.