

Taxation News

Registration for One Stop Shop and Import One Stop Shop

The VAT Directive was amended to simplify VAT obligations relating to eCommerce activities which includes the extension of the VAT Mini One Stop Shop to a One Stop Shop (OSS) and the introduction of a new Import One Stop Shop (IOSS). These measures are effective 1 July 2021.

Registration by eligible businesses for these schemes opened 1 April 2021. For further information, including an outline of the requirements for pre-registration, please see the new Tax and Duty Manual Vat eCommerce – Registration for the One Stop Shop (OSS and Import One Stop Shop (IOSS) from 1 April 2021.

Source: www.revenue.ie



Establishment of Commission on Taxation and Welfare announced

The Minister for Finance, Paschal Donohoe, TD, recently announced the establishment of the Commission on Taxation and Welfare, chaired by Professor Niamh Moloney. The Commission is being established to independently consider how best the taxation and welfare systems can support economic activity and promote increased employment and prosperity.

The establishment of the Commission on Taxation and Welfare is part of the Programme for Government. In carrying out its work the Commission is to have regard to the impact of the Covid-19 emergency, aging demographics, digital disruption and automation and the long-term strategic commitments of Government regarding health, housing, and climate.

The Commission is tasked with the following:

- Review how best the taxation and welfare system can support economic activity and income redistribution, whilst promoting increased employment and prosperity in a resilient inclusive and sustainable way and ensuring that there are sufficient resources available to meet the costs of public services and supports in the medium and longer term.
- Examine what changes, if any, should be made to the social insurance system, including structure and benefits coverage, while ensuring sustainability. This will include consideration of the NESC report no 151 (November 2020) on the future of the Irish social welfare system and of output from the Pensions Commission regarding sustainability and eligibility issues in respect of State Pension arrangements.
- Examine how the taxation system can be used to help Ireland move to a low carbon economy as part of the process of meeting its climate change commitments as set out in the Climate Action and Low Carbon Development (Amendment) Bill 2021.
- Consider the appropriate role for the taxation and welfare system, to include an examination of the merits of a Site Value Tax, in achieving housing policy objectives.
- Consider how Ireland can maintain a clear, sustainable, and stable taxation policy as regards Ireland's attractiveness to Foreign Direct Investment in a changing global taxation environment, including retention of the 12.5% corporation tax rate.
- Review how best the taxation environment for SMEs and entrepreneurs can ensure that Ireland remains an attractive place to sustain and grow an existing business or to start and scale up a new business.
- Review the adaptability of the taxation and welfare systems to the rise of digital disruption and automation and other technological changes.
- Examine the process for reviewing taxation measures and expenditures in order to ensure it is aligned with best practice and where appropriate make recommendations as to how it can be improved.
- Examine how effectively good public health is promoted in Ireland, and present relevant reforms to advance and incentivise this goal.
- Consider taxation practices in other similar sized open economies in the OECD to see what lessons Ireland can learn from such countries. This will include consideration of how the tax administration system should be modernised, building on real time payroll reporting which underpinned the existing modernisation of the PAYE system, and ensuring that the tax administration system meets best international standards. This will also include consideration of the potential for improvements in simplicity and administrative efficiency from integrating the taxation and welfare systems, as well as options for reform on the balance between the taxation of earned income, consumption, and wealth.

The Commission's Report is due to report by July 2022.

Source: www.gov.ie