

Capital Acquisitions Tax Strategy 2018 – 2020

Tax Snapshot

Capital Acquisitions Tax (CAT) applies to gifts and inheritances of assets situated in Ireland. CAT also applies to gifts and inheritances of assets situated outside Ireland if the person giving or receiving the asset is a resident of Ireland for tax purposes. Tax-free lifetime thresholds apply depending on the relationship between the person giving and receiving the benefit. There are a number of exemptions and reliefs available, providing that specific criteria are met. The current rate of tax is 33%. €419m CAT was collected in 2016.

Administration

CAT is a self-assessed tax and the administration is built around a tax period (1 September to 31 August), a pay and file date (31 October) and a late filing surcharge. When a beneficiary reaches 80% of the relevant tax-free threshold, a CAT Return is required. A number of other elements include - the valuation date, the market value, e-filing and payment by instalment. Non-compliance is targeted through non filer, debt management, and compliance intervention programmes.

Strategic Move

This 3 year strategy aims to improve the management of CAT by improving service to support compliance and deepening our risk based approach to confronting non-compliance. We aim to collect the right amount of tax at the right time, provide excellent service, have effective engagement with key stakeholders and sanction non-compliance and evasion.

Success

This strategy will be implemented through a redefined focus on CAT and related compliance risks. Success will be measured through minimised debt, timely filing and payment, achievement of service standards and effective sanctioning of non-compliance.

SPECIFIC ACTIONS

SERVICE TO SUPPORT COMPLIANCE

- Increase customer awareness of Gift Tax and Inheritance Tax obligations
- Increase levels of e-filing and e-paying of CAT through improved e-services

CONFRONT NON-COMPLIANCE

- Maximise the effectiveness of risk focused compliance interventions on Gift Tax and Inheritance Tax
- Increase whole case management around CAT taxable events

CAPABILITY

- Deepen the focus on wealth management and tax planning risks
- Leverage Revenue's training programmes to expand capability on CAT

LEGISLATION, DATA AND TECHNOLOGY

- Consider legislative proposals to increase CAT compliance
- Further develop risk profiling and data analytics, maximising the use of data available to Revenue, to identify CAT risks

Capital Acquisitions Tax Business Plan 2018

SERVICE TO SUPPORT COMPLIANCE

1.	Minimise contacts with compliant customers
2.	Maximise e-filing of all CAT returns

CONFRONT NON COMPLIANCE

3.	Minimise CAT debt
4.	Prioritise our risk focus on major CAT Reliefs and high wealth (incl. wealth transfer and Trusts)
5.	Deepen the risk based approach to Gift Tax and Inheritance Tax compliance

CAPABILITY

6.	Continue to expand Revenue capability on CAT
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LEGISLATION, DATA AND TECHNOLOGY

7.	Develop legislative proposals to improve CAT administration and compliance
8.	Progress CAT ICT developments including improvements to ROS IT 38 form
9.	Liaise with the Courts Service on eProbate matters