


Tax Justice Alternatives

Some Options for Budget 2014

Claiming Our Future, Croke Park, Dublin
13th July 2013

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Research for new economic policies



Outline

- 1. Where we are - economically**
- 2. NERI on Budget 2014**
- 3. Focusing on Taxation**
- 4. Policy Options**



Research for new economic policies



1. Where we are - economically

- Hamster-omics
- Running hard with little to show for it
- Stagnation since 2009 = an achievement
- Emigration to the rescue of our unemployment problem
- Paying a high price for EU indecision and international uncertainty
- Is the internal adjustment done? (mostly)



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2. NERI on Budget 2014

- An approach outlined in our recent economic commentary
- Simply:
 - €3.1bn should become €2.1bn via use of Promissory note expenditure savings in 2014 & 2015
 - Stimulate growth via an Investment stimulus (€1.5bn + €3bn)
 - Shift adjustment emphasis to ↑ Tax



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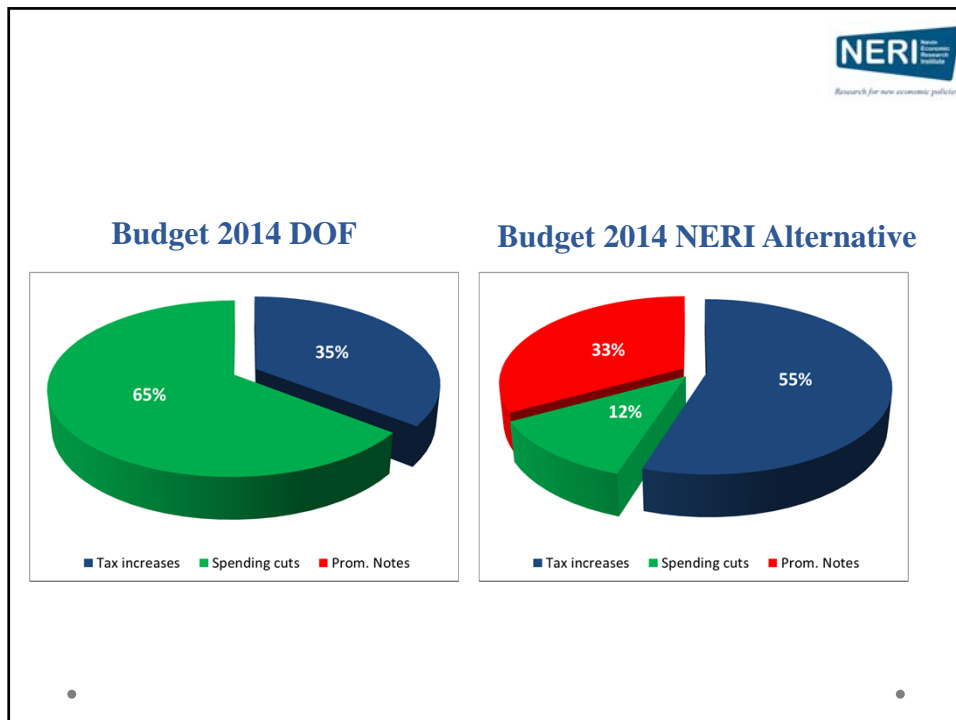


Table 4.6 An alternative fiscal consolidation effort in 2014-2015 € billion combined with a €4.5 bn investment stimulus

	2014	2015
Current	0.35	0.30
Capital	0.00	0.00
Total Expenditure	0.35	0.30
Total Revenue*	1.65	0.70
Overall Total	2.00	1.00
NERI projected Government deficit	-4.8	-3.0

Notes: * including revenue carry-over effects.

3. Focusing on Taxation

Table 4.5 Proposed additional tax measure in Budgets 2014 and 2015 (€ billion)

	2014	2015
Revenue 'carry-over' from previous year's budget	600	100
Changes to income tax reliefs (e.g. pensions)	400	200
Wealth tax	150	150
Employer Pay-related Social Insurance	100	100
Corporation Tax	250	100
Capital Gains Tax	100	-
Capital Acquisition Tax	50	50
TOTALS	1,650	700

NERI research papers to come

- **M Collins:**
 - Higher earners and tax credits (Monday)
 - Pension tax reliefs and their distribution
 - Income Tax and Income Tax Options: a context for Budget 2014
 - Estimating Household Tax Contributions
- **Tom McDonnell:**
 - Wealth Tax
- + others

4. Policy Options

- **‘Just in Case’ economics**
versus
- **Growth and recovery economics**
- Surely the latter given where we are economically
- The numbers add-up; so why not?

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