

THE HISTORICAL DEVELOPMENT OF THE IRISH TAXATION SYSTEM

Peter Clarke
UCD School of Business

ABSTRACT

Relative to other developed countries, very little has been written about the historical development of the Irish taxation system. This is surprising since an early reference to an Irish taxation system is contained in the records of the City of Dublin in the year 1316. These records state that 'taxes be collected under the supervision of four or six good men duly sworn and that accounts be rendered of receipts and payments before their auditors' (Gilbert, 1889, p. 133).

In an attempt to partly fill this historical void, this paper explores the development of the current Irish taxation system from the pre-Norman period to the present time. By providing such a background, this paper seeks to provide a broader understanding of our taxation system and tries to explain why we have the taxation system that we currently have and the context in which it developed. It will be demonstrated that the Irish taxation system has evolved in response to economic, social and political influences. It also highlights that the Irish taxation system has a rich and colourful past, but it is not unique in this regard.

INTRODUCTION

Relative to other English-speaking developed countries, very little has been published on the taxation history of Ireland. This omission is surprising since an early Irish reference to our taxation system is contained in the records of the City of Dublin in the year 1316, which states that 'taxes be collected under the supervision of four or six good men duly sworn, and that accounts be rendered of receipts and payments before their auditors' (Gilbert, 1889, p. 133). To date, the main reference work on the history of Irish taxation has been written by Seán Reamonn (1981) – a former chairman of the Revenue Commissioners – entitled *History of the Revenue*

Commissioners; but he writes that his book is not a history of taxation in Ireland but, rather, is a history of the Revenue Commissioners, which begins with their establishment in 1923. More recently, O'Halloran (2005) provides us with a shorter but broader commentary on the theoretical framework of modern Irish taxation policy with reference to important criteria such as equity, efficiency and simplicity. This book also includes novel chapters on, for example, carbon taxes and e-commerce.

A number of shorter publications on Irish taxation history may also be noted. For example, Holden (1953) investigated aspects of property taxes in Dublin during the seventeenth and eighteenth centuries, including the separate hearth and window taxes. Ellis (1977) reported on the payment of scutage, which was a form of taxation that allowed a person to 'buy out' of the military service due to his lord or king. In technical journals, O'Broin (1983) discusses the relationship between the tax collecting agencies and the taxpayer and reviews the powers of the Revenue Commissioners with regard to tax avoidance and evasion contained in the Irish Constitution with corresponding practice in the United Kingdom (UK). De Cogan (2013) provides an in-depth analysis of the origins of corporation profits tax, which was introduced in Ireland in 1920. Clarke (2006) details the introduction of export profits tax relief in Ireland in 1956. This innovative legislation was one of the most important factors in the significant economic transformation of Ireland in the last decades of the twentieth century (MacSharry and White, 2000). Also, some unpublished theses should be mentioned. In a pioneering study, Kepple (1937) comprehensively reviewed the context and content of the early budgets of the Irish Free State from 1923 to 1935, while MacHale (1947) outlined, using questions that appeared on professional accountancy examinations, the (then) technical aspects of income tax, supertax/surtax, and corporation profits tax in Ireland. Clarke (1984) discusses the nature, history, reasons for and implications of income tax evasion in Ireland. More recently, the circumstances leading to the imposition of income tax on Ireland in 1853 have been discussed: this imposition represented a set-off against the remission of certain loans to Ireland from the British Exchequer for relief expenditure during the Irish Famine (Clarke, 2014). One should also note that there are many studies dealing with modern Irish taxation policy. For example, Hardiman (2002) reviews the development of the Irish tax system from the early 1960s and, using a variety of Organisation for Economic Co-Operation and Development (OECD) *Revenue Statistics*, reports that both total tax revenue in Ireland, as a percentage of gross domestic product (GDP), and the yield from personal (income) tax has increased substantially from 1965 to 1999. In an earlier paper, Hardiman (2000, pp. 822, 836) concluded that 'the narrowness of the personal income tax base in Ireland on those paying through the PAYE [Pay As You Earn] system is a good deal heavier than the aggregate figures might lead us to suspect' and comments on the 'injustices and inefficiencies of the PAYE system'. More recently, de Cogan (2013) comprehensively examines, in an Irish context, the wartime excess profits duty, which was succeeded by a corporation profits tax in 1920.

The growing importance of taxation history is highlighted in these islands, for example, by the bi-annual Tax History Conference at Cambridge University, in which a wide variety of papers are presented to an international audience of scholars. Knowledge of the historical perspective of taxation is important for three

main reasons. First, as stated by the influential Accounting Education Change Commission (1990, pp. 308, 310), ‘an appreciation of the flow of ideas and events in history [and] a knowledge of historical and contemporary events [is] essential to effective teaching’. At a minimum, an understanding of taxation history provides us with interesting facts and anecdotes to make our lectures more interesting. For example, the American War of Independence (1775–1783) might have been averted by timely concessions from London on the controversial issues of tax and representation (Ferguson, 2012). Moreover, income tax was introduced in the United Kingdom in 1799 as a temporary measure to finance the Napoleonic Wars (Sabine, 1966). In addition, after years of unsuccessful efforts to jail the notorious Chicago criminal Al Capone, he was finally jailed in 1931 due to his failure to file income tax returns (Irey and Slocum, 1949). Second, knowledge of taxation history allows us to understand how and why certain issues were addressed in the past, and this understanding may enable us to avoid repeating past mistakes. This is particularly relevant when one appreciates that any taxation system is a human invention and evolves in response to changing needs and demands in society. Third, the study of taxation history can be viewed as offering an added intellectual input to our courses, and this is an appropriate response to a criticism that we teach only the technical aspects of taxation in order to obtain exemptions from professional bodies. Tinker (1985) colourfully suggests that our accounting students are becoming more like technical greyhounds, but are ignorant in relation to social analysis.

The purpose of this paper is to outline the context and historical development of the Irish taxation system from pre-Norman times to the present, with particular reference to the origin of different taxes that remain in modern Ireland. This historical orientation seeks to provide a better understanding of our tax system, and attempts to explain why we have the tax system that we have. The Irish tax system now generates some €38 billion per annum, which is summarised in Table 1.

TABLE 1: ANNUAL EXCHEQUER TAX RETURNS (2013)

Type of Tax	€m	%
Income tax (including Universal Social Charge)	15,758	42%
VAT	10,336	27%
Excise duties	4,891	13%
Corporation tax	4,270	11%
Stamp duties	1,340	3%
Capital gains tax	369	1%
Local property tax	318	1%
Capital acquisitions tax	279	1%
Customs duties	246	1%
<i>Total Exchequer tax returns</i>	<i>37,807</i>	<i>100%</i>

Source: Department of Finance (2013)

While Frecknall-Hughes (2014) outlines the different methods that researchers may use to investigate taxation history, this paper does not adopt a preferred conceptual

framework. Rather, due to its pioneering nature, this paper seeks to highlight the economic, social and political influences that have shaped the evolution of the current taxation system in Ireland. The paper is divided into four main sections based on chronological convenience. The next section briefly outlines the Irish taxation system prior to the Napoleonic Wars. This is followed by a section that highlights taxation developments in the nineteenth century, with special attention given to those associated with the Napoleonic Wars and the introduction of income tax. This section will also review changes in capital taxes that occurred in the late nineteenth century. The section thereafter discusses the taxation system in the newly created Irish Free State (post 1922). The final section explains changes to the Irish taxation system post World War II, which were initially introduced to stimulate a flagging domestic economy and thereafter to allow Ireland's admission to the then European Economic Community (EEC) on 1 January 1973. A short concluding section ends this paper.

THE IRISH TAXATION SYSTEM BEFORE THE NAPOLEONIC WARS

The kings and chiefs of ancient Ireland collected their taxes using the simple expedient of forced hospitality extracted from their subjects (Chart, 1920). Between New Year's Day and Shrove Tuesday, these nobles, together with their entourage, would go on a circuit of their subjects and it was the duty of these subjects to provide adequate hospitality for their important visitors. Whatever the subject felt about this unusual form of taxation, there was very little he could do to escape its imposition except to change 'tax residency' – to use modern terminology. In an early analysis of revenues and finances of Ireland (Clarendon, 1791, p. 1) it was noted that none of 'the objects that anciently contributed to the treasury of its kings' remain 'in the fiscal code of the present day'. However, this early Irish society would undergo a radical transformation due to the Anglo-Norman invasion around the middle of the twelfth century. It is important to highlight two things about this Norman 'invasion'. Firstly, it began as a casual, almost accidental, affair (Moody and Martin, 1967). Simply, the Normans were invited to Ireland in order to assist a local lord in his struggle for political supremacy. They came with some reluctance but, having done so (in May 1169), they stayed. Secondly, it is sometimes stated that the Normans only brought violence and division to the island of Ireland. Rather, to their credit, the Normans were the first to give Ireland a centralised administration – strong, unified and methodically organised (Moody and Martin, 1967). Towns were established and their growth facilitated an expansion in trade so that commerce and agriculture began to prosper. From a taxation point of view, the introduction of coinage enabled custom duties from trade, both domestic and overseas, to be more easily collected and these provided the greater part of the tax revenue. In rural areas the Normans replaced the great nobles and existing tenants were liable to render services to their overlord. However, the payment of 'scutage' – a tax paid by a feudal tenant in place of military service – was permissible (Chart, 1920). A reference to scutage in Ireland first appears in 1222 and by the second half of the thirteenth century scutage had become a regular part of the revenue (Ellis, 1977).

Considerable research on Irish medieval tax revenue has been undertaken by Richardson and Sayles (1962). Based on their analysis of the surviving records of that period, they estimate the average annual tax receipts between 1278 and 1299 to be about £6,300; between 1299 and 1315 they estimate an annual figure of £4,190; and between 1315 and 1384 an annual figure of about £2,300 may be computed. According to many historians, this revenue decline was largely due to the shrinkage of the area over which the Norman administration retained control. Large parts of the country had returned back to Irish hands, which resulted in laws being unenforced and taxes remaining unpaid (Curtis, 2002). It required the Tudor dynasty to restore more effective rule in Ireland and by the end of Elizabeth I's reign in 1603, the English had undisputed rule of the entire country.

During the early 1600s, and prior to the Restoration (1660s), the Irish tax revenue fluctuated between about £35,000 and £70,000 per annum and included, for example, various custom duties and licenses (McGrath, 2000). The term 'custom' meant that they had been levied for a long time but, subsequently, custom duties were imposed by legislation. According to Treadwell (1976–1977), the first enactment levying customs in Ireland dates back to Henry VII (in 1500), which represented a 5 per cent duty on certain imports and exports. However, he notes that there were many 'havens' beyond the administrative reach of the Dublin and local officials.

The financial settlement of the Restoration of Charles II in 1662 contained the foundations for a secure and significantly increased tax base. Custom duties, on goods imported and exported, were regularised, expanded, consolidated and granted to the Crown in perpetuity in the 1662 Customs Act. The legislation also contained a substantial and permanent 'book of rates' for the guidance of collectors and provided rules for assessment and collection (McGrath, 2000). In addition, an excise duty, which had first been introduced in Ireland in 1643, was regularised and consolidated in the 1662 Excise Act. This Act imposed excise duties on a wide variety of items imported and home produced, including beer, ale and spirits (Donnelly, 1954). In addition, parliamentary 'additional duties' were adopted in Ireland in the 1690s and thereafter. These additional duties represented an increased levy upon the existing duties for a specific period of time, so as to provide an additional amount of tax revenue. The first additional duties imposed by the Irish parliament were contained in the 1690 Additional Excise Act, which levied additional duties on beer, ale and spirits, while subsequent legislation increased duties on tobacco and wine among other commodities (McGrath, 2012). In modern times similar duties still remain and have been extended to hydrocarbon oils. The result of these fiscal innovations was that the tax revenue of the country increased significantly and this growth is highlighted in Table 2, which covers the years 1691 to 1791, with 20-year intervals. Table 2 (adapted from Kane, 2014) demonstrates that customs, excise and additional duties – taxes on spending – dominated the Irish taxation system throughout the 1700s.

Two other taxes, around this time, can be briefly mentioned because they represent a form of property (wealth) tax rather than tax on spending. A 'hearth tax' was introduced in 1662, which imposed, with certain exemptions, a tax on the owner or occupier of every house for every hearth or other place for firing and stoves. As indicated in Table 2, it generated considerable revenue even though the tax collectors had revealed 'laziness, ignorance and corruption' in their administrative role (Dickson, Ó

TABLE 2: IRISH TAX REVENUES (1691 TO 1791) IN £

Type of Tax	1691	1711	1731	1751	1771	1791
Customs	38,012	88,874	102,703	174,850	235,983	255,370
Excise	57,739	134,949	194,524	275,676	272,830	400,780
Additional duties	Nil	43,881	71,396	141,080	225,315	716,416
<i>Sub-total</i>	<i>95,751</i>	<i>267,704</i>	<i>368,623</i>	<i>591,606</i>	<i>734,128</i>	<i>1,372,566</i>
As % of total tax	94%	84%	85%	88%	86%	89%
Licenses	6,123	8,816	12,276	21,416	30,167	57,751
Hearth tax	Nil	38,920	42,263	44,795	58,977	76,983
Miscellaneous	167	2,180	10,231	9,800	22,546	35,450
<i>Total tax*</i>	<i>102,041</i>	<i>317,620</i>	<i>433,393</i>	<i>667,617</i>	<i>845,818</i>	<i>1,542,750</i>

* Crown and quit rents are not included here as they are considered non-tax items

Source: Kane (2014)

Gráda and Daltrey, 1982). A 'window tax' was introduced in Ireland in 1799, which levied a tax on every window in a house, although it had been levied in England since 1696 (Sabine, 1966). The Act provided exemptions, such as an exemption for any window occupied by or used for a loom which was really used for weaving. The use of the word 'really' was apparently inserted to prevent any person casually placing a loom in a window and sitting back tax-free (Holden, 1953). The yield from the window tax was not considerable and it is suggested that this low yield could have been due to a simple tax avoidance device resorted to by many householders – the 'half door'. Thus, the front door of the establishment was divided into two equal sections and during the daytime the upper section was left open, which admitted light, and the need for a formal window was reduced (Reamonn, 1981).

As indicated in Table 2, throughout the 1700s we see government revenues drawn largely from customs, excise and additional duties on consumption goods such as alcohol, sugar, tea and tobacco; these represented about 90 per cent of the Irish government's tax revenue. These commodity taxes facilitated the maintenance of a standing army in Ireland during the eighteenth century (McGrath, 2012). However, the Napoleonic Wars would create additional and significant financial pressures which required additional sources of tax revenues.

TAXATION IN THE NINETEENTH CENTURY

The main development in Ireland's taxation system during the nineteenth century was the imposition of income tax in 1853; this taxation source now generates just over 40 per cent of Ireland's tax revenue (Table 1). Estate duty was introduced towards the end of the nineteenth century, and a progressive rate structure for income tax in the early part of the twentieth century. These two developments will be discussed briefly towards the end of this section.

Income tax was introduced in England in 1799 (Government of Great Britain and Ireland, 1799) as a method of financing the Napoleonic War, which was a

particularly difficult period for Prime Minister William Pitt. All the ingredients of a financial crisis were present: military costs were escalating and tax yields were inadequate, which resulted in the national debt increasing to an unprecedentedly high level. O'Brien (2011) points out that around this time Britain moved from the bottom to the apex of the European league table for government indebtedness. His figures indicate that the share of the total tax receipts allocated to service debt reached about 70 per cent around 1798. An additional source of taxation became inevitable. In 1799 – largely due to the extensive evasion of the 'Triple Assessment' legislation of 1798 – the first ever Income Tax Act was introduced. (As a result of the financial crisis in the first decade of the twentieth century, many countries would realise that excessive borrowing would ultimately create additional tax burdens or reduced government expenditure.) Pitt was well aware of the opposition to this new form of taxation. To reduce this opposition, a general (and unobtrusive) return of income was required from each taxpayer (Sabine, 1966). This general return of income (Exhibit 1) was simply a total income figure on which a taxpayer was willing to pay, and it was a system based on self-assessment.

Exhibit 1: General Return of Income

'I do declare that I am willing to pay the sum of ... for my contribution from 5th April, 1799 to 5th April, 1800 in pursuance of an Act passed in the thirty-ninth year of the reign of His present Majesty intituled ... and I do declare that the said sum of ... is not less than one tenth part of my income, estimated according to the Directions and Rules prescribed by the said Acts, to the best of my knowledge and belief.

Dated this day of ... (and) signed ...' (Cited by Phillips, 1967, p. 185).

The Act imposed a tax of 10 per cent on all taxable incomes in excess of £200 per annum of British residents, whether arising in England or abroad. There was complete exemption for taxable incomes below £60 per annum, with graduated rates applying to taxable incomes between £60 and £200. Deductions were available for the payment of interest, life assurance premiums and deductions for children (Lynch, 1964). However, this income tax legislation did not apply to Ireland because of the anticipated difficulty of assessment and collection – partly due to the 1798 Rebellion by the United Irishmen, who were assisted by the French – which would generate low yields (Coffield, 1970). The unsatisfactory Irish situation represented an urgent political problem that the British addressed through the Act of Union of 1800, which provided for complete legislative and commercial union between England and Ireland and was facilitated by the aid of bribes, peerages and pressures of all sorts (Moody and Martin, 1967).

In terms of tax yield, Pitt's income tax was a dismal failure, since the general return could only be checked with the greatest of difficulty and there was wholesale evasion (Phillips, 1967). In 1803, Henry Addington, who succeeded Pitt as prime minister, abandoned the general return of income tax and replaced it with five classes or schedules, namely, A, B, C, D and E, of which Schedules C, D and E still exist today (in addition to a Schedule F). A subsequent report by the Commissioners of the Inland Revenue notes that the system based on different schedules for incomes 'leaves unrevealed to all those connected with the assessment of the tax the total income of any person except those who claim entire exemption from

it, or those who seek to obtain an abatement of duty' (cited by Monroe, 1981, p. 13). However, income tax was a wartime tax and with the British victory at the Battle of Waterloo (1815), the government repealed it and took the initial steps to reduce the role of the state in the name of the popular economic doctrine of *laissez-faire* (O'Brien, 2011). However, income tax was re-imposed by Sir Robert Peel and his Tory party in 1842 for a three-year period (Government of Great Britain and Ireland, 1842). It was envisaged (again) as a temporary measure in order to reduce the public deficit and to facilitate commercial reforms in order to improve manufacturing and trade in general (Commissioners of Inland Revenue, 1857). This is a stark example of how a temporary tax measure often becomes a permanent addition to our tax system. The legislation was largely based on Addington's 1803 Act. Again, income tax was not extended to Ireland due to the lack of a proper assessment and collection mechanism: the repeal of the hearth and window taxes in 1823 had abolished the machinery for the proper assessment and collection (Dowell, 1884).

Ireland's income tax exemption was finally withdrawn in 1853 (Government of Great Britain and Ireland, 1853). Gladstone, in arguing for the cessation of exemption to Ireland, argued 'Let me remind the Committee what exemption means, it does not mean that we have a bottomless purse, that we can dispense exemptions to one man without injuring another. No, sir. The exemption of one country means the extra taxation of another' (Hansard, 1853, 18 April). There is no doubt that the imposition of income tax on Ireland was made at an inappropriate time (Clarke, 2014). In 1853 the commercial prosperity of England was rapidly expanding whereas Ireland had recently experienced the terrible ordeal of the Great Famine of the 1840s, characterised by a population fall of some 20 to 30 per cent due to starvation, disease and emigration over a short period of time. The often-stated 'inadequate response' of the British government to this disaster may have been attributable to the prevailing philosophy of *laissez-faire*, whereby 'short-term suffering appeared to be a small price to be paid for long-term improvement, especially if the theoreticians did not have to participate directly in the experiment' (Kinealy, 2006, p. 356). In addition to imposing income tax on Ireland, Gladstone increased the spirit duties in Ireland with a view to gradually equalising Irish and British rates, and he remarked that it was unfair that 'an Irishman should be able to get intoxicated more cheaply than an Englishman' (Hansard, 1853, 18 April). By way of financial compensation, Gladstone wrote off a debt of some £4 million that had been incurred by the Treasury on relief works during the Irish famine. Income tax was introduced for a seven-year period and the total Irish yield about £2.4 million between 1853 and 1860 and considerably more thereafter (Clarke, 2014). Some years later, a well-known contemporary writer and economist, Henry George, denounced British rule in Ireland as generally arbitrary and despotic; and as 'the most damnable government that existed outside Russia' (cited by Lawrence, 1957, p. 15). Irish protests against the imposition of income tax went largely unheard in Britain due to immediate distractions such as the Crimean War (1853–1856), and eventually Ireland fell into the background of British thinking (Beckett, 1966). However, even though writing some 60 years apart, informed commentators such as Henry George (c. 1880) and Thomas Malthus (c. 1820) foresaw continued disturbances in Ireland unless decisive government action was taken to alleviate inequalities and poverty (MacDowell, 1977).

In 1894 a Royal Commission was appointed to determine the justice (or otherwise) of the growing claim that Ireland had been overtaxed, and this discussion arose primarily out of the Home Rule Bill for Ireland. Among their unanimous conclusions were that the increase in taxation upon Ireland between 1853 and 1860 was not justified by the then existing circumstances. They also pointed out that the advance of money for Irish famine relief was a matter of imperial necessity and should have in the first instance been treated as extraordinary expenditure, to be defrayed out of current imperial revenue and not as a loan to Ireland (Financial Relations Commission, 1896). Furthermore, Murray (1907) points out that the debt incurred due to famine relief would have been paid off in a certain number of years and thus, capital repayments and related interest charges would have ceased. In contrast, income tax became a permanent feature. Not surprisingly, Hynes (2013) concludes that report of the Royal Commission was a watershed event in British-Irish fiscal relations. Such arguments and findings provided a basis for the claims that Ireland was entitled to restitution for the monies raised in Ireland by the United Kingdom for imperial purposes (Meenan, 1970). Subsequently, Sinn Féin would tell the people not to pay their income tax while the country was still governed by Westminster (Reamonn, 1981).

Around the beginning of the twentieth century, two other developments to the Irish tax system should be noted: the introduction of estate duty and the graduation of income tax rates. In 1894, Sir William Harcourt introduced estate duty, which has been amended from time to time over the intervening years. (Apart from stamp duty in 1774, estate duty was the first major capital tax imposed in Ireland.) It was a tax on a property passing upon a person's death and was charged on the total value of the estate without regard to its destination. The tax was assessed on all property, moveable or immovable, situated in the state, regardless of the deceased's domicile, and property abroad was chargeable if the deceased died domiciled in the state. There was a threshold below which no duty was payable (Reamonn, 1981). In introducing the legislation, Harcourt declared: 'Nature gave a man no power over his earthly goods beyond the term of life' (Hansard, 1894, 16 April). Legacy and succession duties had been previously imposed and these three duties were commonly referred to as 'death duties', of which estate duty was the most important. Eventually, the impact of estate duty on family companies prompted the renowned chartered accountancy firm Craig Gardner & Company to devise tax-effective corporate packages to minimise the tax effect of death of a major shareholder. This was done by the establishment of investment holding companies and/or discretionary trusts (Farmer, 1988).

However, estate duty legislation recognised the principle of graduation, i.e. progressive tax rates levied on higher estate valuations, so it was inevitable that graduation be applied to the income tax system as a result of changing political and social values. The Dilke Select Committee on Income Tax was established to enquire into and report upon the practicality of graduating income tax and of differentiating between permanent and precarious incomes, and it reported in 1906 (Dilke Committee, 1906). The report recommended, inter alia, that graduation be introduced to the income tax code through the introduction of a new tax called 'supertax'. Supertax was introduced in the controversial Lloyd George Budget of 1909-1910, which

was significant for its unqualified adoption of the philosophy that taxation should be used for the purpose of social regeneration, but which sparked off a spectacular constitutional crisis (Sabine, 1966). Thereafter, over a century since its introduction in 1799, it was considered appropriate to consolidate the law relating to income tax, and this was done in 1918 (Government of Great Britain and Ireland, 1918). The consolidating legislation is all the more remarkable given the wartime conditions that then prevailed (Robinson, 1964). An excess profits tax was introduced in 1915, which was designed to tax profits made during the war in excess of a pre-war standard. It was repealed in 1921, but to an extent it had already been replaced by a corporation profits tax (CPT) in the 1920 Finance Act (de Cogan, 2013). The Finance Act 1920 also prohibited 'artificial' transactions and provided that 'no deduction shall be allowed in respect of any transaction or operation of any nature which has artificially reduced the amount to be taken as the amount of profits of the company'.

TAX IN THE EARLY YEARS OF THE IRISH FREE STATE

The Irish War of Independence, originating in 1919, led to the Anglo-Irish Treaty in 1921 and the eventual establishment of a 26-county Irish Free State, i.e. Saorstát Éireann. (Ireland was partitioned as the northern six counties remained within the United Kingdom.) The Anglo-Irish Treaty of 1921 conferred sovereign powers of taxation on the government and parliament of the Irish Free State. In order to enable the Irish Free State to function quickly and effectively, the British Income Tax Act 1918 and the British Finance Acts 1919–1922 (inclusive) were adopted with the necessary modifications (Revenue Commissioners, 1926). By agreement, the Irish tax system for 1922–1923 was administered by the British government on an agency basis, for which the Irish Free State provided a sum of £183,000 in respect of salaries and expenses of the (UK) Inland Revenue service (Saorstát Éireann, 1923). Thus, as and from the commencement of the fiscal year 1923–1924, the Irish Free State became a separate, independent unit of taxation and all the jurisdictions, powers and duties in relation to taxation matters, e.g. customs, excise and inland revenue, were conferred on the (Irish) Revenue Commissioners (Revenue Commissioners, 1926). The Irish Free State voluntarily accepted the British taxation system, even though that system had evolved to suit the needs and conditions of the more industrialised Great Britain.

One economic consequence of partition was to cut off Ireland's major industrial region with the highest average annual incomes. For example, in 1912, of almost 300,000 industrial workers, only 80,000 were based in what became the Irish Free State (Daly, 1981). The possibility of the government of the new Irish Free State imposing additional taxes could not be seriously entertained, since it had long been an article of faith that Ireland had been over-taxed under British rule and therefore could be administered much more cheaply under native rule. Moreover, as income tax rates were gradually reduced in post-war England, Irish Ministers for Finance were obliged to follow suit, lest they should lose the comparatively few large payers of direct taxation, whose continued residency in the country could not be taken for granted, for either fiscal or security reasons (Meenan, 1970). Thus, it is

not surprising that in the first Budget of the Irish Free State (1923) the existing taxes were continued for the year 1923–1924 according to the same rates and conditions as applied to the previous year. The (net) Exchequer receipts for 1923–1924 are summarised in Table 3.

TABLE 3: EXCHEQUER RECEIPTS (NET) FOR THE YEAR ENDED 31 MARCH 1924

Type of Tax	£	%
Customs	8,107,523	32%
Excise	9,351,753	37%
Estate duties	1,049,906	4%
Stamp duties	493,707	2%
Income tax	4,894,776	20%
Surtax	504,383	2%
Excess profits duty	92,199	2%
Corporation profits tax	363,081	1%
Other	247	–
<i>Total</i>	<i>24,857,575</i>	<i>100%</i>

Source: Revenue Commissioners (1926)

An important issue for the Irish Free State and the United Kingdom was that of taxation, including double tax relief between the two jurisdictions. Not surprisingly, the Belfast and District Society of Incorporated Accountants organised a lecture on the taxation of income in the Irish Free State (Bell, 1924). The first arrangements as to relief from double income tax were embodied, on the British side, by the Double Taxation (Irish Free State) Declaration 1923 and, on the Irish Free State side, in the Double Taxation (Relief) Order (No. 1) 1923 (Purtill, 1923). Of more significance was the revised Double Taxation Agreement, which was signed in 1926 and which was influenced by the Financial Committee of the League of Nations (Reamonn, 1981). This new agreement was based on the principle of ‘fiscal allegiance’ by reference to residence, with reciprocal exemption of the non-resident. For example, a company, whether incorporated under Irish or British law, was deemed to be resident only in that country in which its business was managed and controlled. It is interesting that this very principle, devised and agreed by eminent economists in the 1920s, is now under international scrutiny in relation to the reduction of tax liabilities on corporate income of multinational entities.

It is fair to say that the first 30 years of Irish independence were not characterised by any degree of fiscal innovation. However, it must be recognised that the Irish Free State was born from a War of Independence (1919–1921), followed by an Economic War with Britain (1932–1938), which also coincided with the Great Depression, and which was followed by World War II (1939–1945). In the early 1930s, a newly elected Fianna Fáil government, committed to self-sufficiency and the need to industrialise as a manifesto of Irish independence, embraced protectionism. By the mid-1930s, for example, Irish import duties were among the highest in the world (MacSharry and White, 2000). Moreover, legislation required that all

companies established in the Irish Free State after 1 June 1932 that did not have a majority of native Irish shareholders must apply for a licence to conduct business, and such licences were to be issued or refused at the sole discretion of the sponsoring minister (Clarke, 2004). Whitaker (1973, pp. 412–413) argues that some economic progress was made during that period but companies were ‘small in scale’, producing for a ‘stagnant home market’ and there were ‘obvious deficiencies of enterprise, management and technique in many protected industries’. With low standards of living compared to other European countries, some commentators had questioned whether, after nearly four decades of self-government, Ireland would be better off as part of the United Kingdom (Clarke, 2006). It is not surprising that after World War II, economic and social issues contributed to the defeat of the Fianna Fáil government in 1948 (Daly, 1981). It is during the 1950s–1960s that we see the next phase of significant developments in Ireland’s taxation system and a reduced dependency on the United Kingdom, which absorbed over 90 per cent of Ireland’s exports (Bradley, 2004).

ECONOMIC DEVELOPMENT, THE EEC AND TAXATION

Speaking in Seanad Éireann in 1952, the distinguished Professor of Economics at University College Dublin, George O’Brien, proposed ‘that the law relating to income tax is in urgent need of revision’ and requested that government appoint a commission to investigate the matter at an early date. He cited ‘the existence of a large volume of dissatisfaction with the present income tax system’ and he indicated that it was widely felt that the increased taxation of white-collar workers had very adverse social and political repercussions (Seanad Éireann, 1952). The immediate issue addressed by the Commission on Income Taxation was the collection of tax from employees, i.e. Schedule E. At that time, employees paid their income tax in two equal instalments but one year in arrears. Thus, the liability for, say, 1956–1957 was due in two equal instalments payable in January and July based on the income earned in the previous year of assessment, and the vast majority of employees in Ireland were obliged to pay income tax on demand, as Table 4 shows. The Revenue Commissioners had experienced great difficulty in collecting tax from employees and stated to the Commission that upwards of 80,000 taxpayers were in arrears with their tax under Schedule E. In addition, there was an estimated £3 million in arrears compared to the then annual yield from income tax of some £6 million (Commission on Income Taxation, 1958).

TABLE 4: COLLECTION ARRANGEMENTS WITHIN SCHEDULE E

	1955–1956	1956–1957
Under statutory provisions	40,000	44,000
Under voluntary provisions	8,000	13,000
Payable on demand	90,000	91,000
<i>Total</i>	<i>138,000</i>	<i>148,000</i>

Source: Commission on Income Taxation (1958)

The Commission pointed out that a practical difficulty with the collection of income tax under Schedule E was that the half-yearly income tax demands frequently exceeded the weekly take-home pay of many thousands of employees. It was noted that very few employees were making adequate provision for the prompt payment of their income tax liabilities. The Commission also reported that they had received representations from various groups of organised workers in the country recommending the introduction as soon as possible of a statutory scheme of tax deduction from employees. The Commission on Income Taxation (1958) recommended that the then current system of collecting tax from the main body of Schedule E taxpayers should be replaced by a statutory tax deduction scheme on the general lines of the Pay As You Earn (PAYE) scheme then operating in Northern Ireland and Britain. This was done in 1960 and the PAYE system would, in time, become the 'pivot of modern Ireland's tax system' (Hardiman, 2002, p. 36).

Prior to the introduction of the PAYE system, we see another significant development to the Irish (corporate) taxation system – the introduction of export profits tax relief, also referred to as export sales relief (ESR), which was contained in the Finance (Miscellaneous Provisions) Act 1956. This legislation is significant because the economic transformation of Ireland from that time is usually traced to the significant increase in foreign direct investment, encouraged by Ireland's (comparatively) benign corporation tax rate over the past six decades. This innovative legislation was introduced during a climate of despondency that enveloped Ireland. MacSharry and White (2000, p. 185) are specific:

By 1951, the Inter-Party Government was faced with a depressing economic outlook. The post-war economic recovery had gathered pace in Europe, but left Ireland largely untouched. Some 41 per cent of the labour force was still employed in agriculture, with just 15 per cent in manufacturing industry. Emigration had resumed, economic growth was minimal and the economy was in the throes of the first of a recurring series of balance of payments crises.

The initial (1956) ESR legislation, subsequently amended, was framed in terms of a 50 per cent remission of corporate tax liabilities derived from profits on export sales of goods manufactured in Ireland. The idea of such a tax remission had been suggested earlier that year by the Irish Exporters Association in their submission to the Committee of Inquiry into the Taxation of Industry (Clarke, 2006). It is important to note that the initial ESR tax remission was drafted in terms of an *increase* in sales during a period with reference to the standard, i.e. previous, period. Clearly this provision would be more attractive to new companies than existing entities. The introduction of ESR was certainly associated with an expansion in industrial output and increased industrial exports. For example, exports (excluding live animals, which would not have attracted any tax remission as this was not a manufacturing activity) had increased from £62 million in 1956 to £142 million by 1963 – a 129 per cent increase in monetary terms (see Table 5).

Farmer (1988) notes that Irish exports increased from 25 per cent of gross national product (GNP) in 1960 to 51 per cent of GNP in 1985. But in addition to the economic impact of ESR, it is important to acknowledge the important role of grants for industrial development, first introduced in 1952 and greatly extended in 1956 and

TABLE 5: GROWTH IN IRELAND'S EXPORTS (1956–1963)

Year	Exports (Excluding Live Animals)
1956	£62m
1957	£76m
1958	£83m
1959	£91m
1960	£106m
1961	£124m
1962	£126m
1963	£142m

Source: Clarke (2006)

1959, and the considerable work of Irish development bodies such as the Industrial Development Authority, Bord Fáilte and Coras Tráchtála, which had commenced in the early 1950s (Kennedy and Dowling, 1975).

The final point in this brief story about ESR relates to Ireland's negotiations with the European Union (then called the European Economic Community (EEC)). It was noted by the European Commission that ESR offended the non-discrimination clause of the Treaty of Rome: it was biased in favour of export-orientated companies. A rather clever compromise was found since, at that time, the EEC had no agreement in place on corporate tax harmonisation. Thus in 1978, having sovereignty over the rate of tax that it applied, Ireland replaced ESR with a single, low rate of corporation tax (10 per cent) that applied to all corporate entities, whether manufacturing, retail or service and whether they were export-orientated or otherwise. (The corporation tax rate currently stands at 12.5 per cent.) A related point should be noted. Prior to the 1960s, the Revenue Commissioners were generally reluctant to give advance rulings on taxation matters on the grounds that answering hypothetical questions was not part of the Commissioners' functions. However, with regard to the administration of export sales relief in particular, the Commissioners became much more flexible in their approach and advance rulings were a common element in new projects (O'Broin, 1983). However, recently, the Revenue Commissioners has issued new guidelines that indicate that multinationals may not receive 'letters of comfort' from the Irish authorities informing them that the tax structures they have put in place are unlikely to be challenged. Such letters are an important part of Ireland's efforts to attract direct investment as they are highly valued by multinational enterprises when making long-term decisions as to where they will locate foreign subsidiaries (Keena, 2014).

Some other significant developments in the Irish taxation system during the early decades of Ireland's economic transformation should be noted. In 1962–1963, tax receipts from customs and excise duties accounted for over 40 per cent of total government revenue. The dominance of this source of revenue meant that the public finances would be highly sensitive to a fall in the yield from a limited number of goods such as beer, spirits, tobacco and hydrocarbon oils. In order to reduce the dependency of the Irish Exchequer on these commodities, and also with a view to potentially reducing rates of income tax, a (sales) turnover tax was introduced in

1963. While common in many countries in Western Europe, a turnover tax was new at the time to Ireland and was applied at a rate of 2.5 per cent (O'Halloran, 2005). To complement the turnover tax, a wholesale tax was added in 1966, but this was more selective because it did not apply to the sale of foods, medicines, clothing and fuel but was chargeable also on the importation of taxable goods (Reamonn, 1981). In 1972, as one of the conditions for Ireland to join the EEC, a value added tax (VAT) was introduced, which had already been introduced in the existing six EEC member states. The VAT system replaced the existing wholesale and turnover taxes which had existed since the 1960s. A very important element of the European dimension to VAT, and one which is often overlooked, is the fact that each member state contributes a portion of its VAT yield to the European Community in order to fund, for example, the Common Agricultural Policy, together with the various structural, regional and cohesion funds (Doyle, 2007). Farmar (2013) indicates that VAT, like PAYE, represented a substantial shift of tax-gathering effort from the Revenue Commissioners to business entities. In the future, businesses would act as unpaid tax collectors.

During the 1970s, other important changes to the Irish tax system took place. The newly elected Fine Gael-led government in 1973 had tax reform high on its agenda, and a rapid sequence of innovations followed its election: wealth tax, capital gains tax, capital acquisitions tax, taxation of farm profits, corporation tax and a unified system of income tax (Farmar, 2013). A broadly defined annual wealth tax was introduced in 1975 (to 1977 inclusive), which applied, inter alia, to the 'wealth' of investment companies and discretionary trusts, many of whom had been established to minimise the impact of estate duty. Subsequently, a residential property tax was introduced in 1983 (to 1997). Both the wealth and residential property taxes were abolished due to their unpopularity with the electorate. 'Rates' on private dwellings were abolished in 1977 for a similar reason. However, a local property tax was reintroduced in 2013.

A capital acquisitions tax (CAT) was introduced in 1976, which applied to assets passing from one individual to another by way of both gifts and inheritances received. This legislation replaced estate duties but introduced two new features. First, unlike estate duties, CAT applied to gifts as well as inheritances, although the former were taxed at a lower rate. Second, under CAT, the beneficiary is separately taxable for each gift/inheritance, so that the larger the number of beneficiaries, the smaller the aggregate amount of tax payable. Finally, the introduction of a capital gains tax (CGT) in 1975 should be noted. It was modelled on prior UK legislation, and it applied to both individuals and corporations. It was introduced as a means of collecting tax from persons disposing of assets, where the assets being disposed of have increased in value during the period of ownership. Capital gains were taxed only when realised rather than when they accrued, as otherwise a cumbersome annual valuation would be required. Thus, in order for a liability to CGT to arise, there must be a disposal of an asset, which usually arises when one person transfers ownership of an asset to another person. However, death does not give rise to a disposal for CGT purposes.

Changes were also made to the taxation of income and profits: in 1974, the dual taxes on an individual's income, namely, income and surtax, were abolished and

replaced with a unified system of income tax that applied progressive tax rates to higher bands of taxable income. In 1976 the dual system of income tax and corporation profits tax, which applied to corporations, were replaced with a (single) corporation tax code. This allowed companies, who were liable to a separate corporation tax, to be taxed at different rates compared to individuals, who were liable for income tax.

While it may be considered a contemporary issue, the matter of tax avoidance and general anti-avoidance rules (GAAR) should be briefly addressed. Tax avoidance is associated with using activities, concessions or transactions that, although they are legal and comply with the tax code, increase the after-tax income of the taxpayer over what would otherwise have been the case. For many years, it was generally considered that 'tax avoidance' could not be overturned by the courts. However, in 1981, the House of Lords in the United Kingdom decided that where a transaction has pre-arranged artificial steps that serve no commercial purpose other than to save tax, the proper approach is to tax the effect of the transaction as a whole (*Ramsay v IRC*, 1982). This case involved a series of transactions that generated (artificial) losses for the purpose of cancelling a taxable capital gain. Subsequently, in *IRC v Burmah* (1982), this interpretation was upheld and Lord Diplock considered that in order for the *Ramsay* principle to apply there must be (i) a series of transactions which are (ii) pre-ordained, and (iii) into which there are inserted steps that have no commercial purpose apart from tax avoidance. While both of these cases were in the UK jurisdiction and involved capital gains tax, the decisions signalled a different approach to tax avoidance schemes by the Inland Revenue and the interpretation of such schemes by the judiciary, so that artificial tax planning could, in future, be ineffective.

Commenting on these cases, O'Broin (1983, p. 26) wisely noted that the Irish Revenue Commissioners had indicated that they would follow the decisions in *Ramsay* and *Burmah* and he argued that 'artificial' tax avoidance schemes 'are not to be recommended'. Thus, the Irish Revenue Commissioners sought the approval of the Irish Supreme Court to the principle of fiscal nullity in the *McGrath* case (*McGrath v McDermott*, 1988), but this was rejected by the Supreme Court. The Revenue Commissioners then introduced a new all-embracing GAAR, by way of section 86 of the 1989 Finance Act, which is now encompassed as section 811 of the Taxes Consolidation Act 1997. Subsequently, in the *O'Flynn* case, the Irish Supreme Court has ruled that the various steps taken by taxpayers in the company involved were a misuse of ESR, having regard to the purposes for which it was originally intended (*Revenue Commissioners v O'Flynn Construction*, 2011). A comprehensive discussion of how the Irish GAAR has developed and an examination of the central elements of GAAR in other jurisdictions, such as the United Kingdom and Canada, are presented by Maguire (2014).

In current times, tax avoidance and anti-avoidance legislation must be discussed in an international context. Also, a subtle change has taken place over the past decade wherein the macro-economic impact of tax avoidance techniques, together with their perceived morality, is likely to be discussed in conjunction with the tax effectiveness of such schemes. Thus, the OECD report entitled *Addressing Base Erosion and Profit Shifting* (Organisation for Economic Co-Operation and Development, 2013) stresses that tax avoidance by international companies constitutes a serious

risk to tax revenues, tax sovereignty and tax fairness in many countries. A more recent document (Organisation for Economic Co-Operation and Development, 2014) has set out far-reaching recommendations to eliminate aggressive tax avoidance by multinational enterprises. This initiative is likely to prompt changes in the Irish corporate tax regime.

CONCLUSION

This paper has provided an overview of the development of the Irish taxation system over the past eight centuries, rather than focus on a specific episode or event. The objective is to identify and explain what happened in a non-technical manner and to place such changes in their appropriate political, economic and social contexts. For much of its history, the small island of Ireland was governed by its more powerful neighbour and therefore a 'tax adoption' decision, especially regarding income tax in Ireland, was taken by successive British governments rather than the indigenous population.

The basic function of any taxation system is to provide revenue for the government and, historically, such revenue was required for military purposes. In modern times, the state bears a large measure of responsibility for matters such as education, health, care and maintenance of the elderly, economic development and the redistribution of income and wealth in society. Thus, it is not surprising that since the foundation of the Irish Free State (post-1922) tax revenue has increased substantially. For the income tax year 1923–1924, the total revenue of the Irish Free State was approximately £25 million (Table 3), whereas actual tax revenue for 2013 amounted to just under €38 billion (Table 1). The modern role of our taxation system confirms the political context of any tax change or system. Governments require tax revenues in order to pursue their objectives in targeted areas such as economic growth and the redistribution of income and wealth in our society. In turn, taxpayers cannot be precluded from forming an opinion of their tax system and exercising their collective franchises at election time. In summary, any taxation system is influenced by political, economic and social considerations in both the domestic and international environments. These factors help us understand why tax systems have changed over time. They also suggest that, with the growing public awareness of the impact and intricacies of our taxation system, the demand for tax changes can be expected in the future.

ACKNOWLEDGEMENTS

The generous financial support of the Irish Accountancy Educational Trust is gratefully acknowledged, as without this support this paper could not have been completed. The author acknowledges the considerable assistance of Gerardine Doyle, Aidan Kane and Ivar McGrath in the preparation of this paper. The author also acknowledges the constructive suggestions of two anonymous reviewers on an earlier draft of this paper.

REFERENCES

- Accounting Education Change Commission (1990). Objectives of Education for Accountants: Position Statement Number One, *Issues in Accounting Education*, Vol. 5, No. 2, Fall, pp. 307–312.
- Beckett, J. (1966). *The Making of Modern Ireland*, London: Faber.
- Bell, R. (1924). The Taxation of Income as Affected by the Constitution of the Irish Free State, speech reprinted in *The Accountant*, 5 January 1924, Vol. LXX, No. 2561, pp. 16–20.
- Bradley, J. (2004). Changing the Rules: Why the Failures of the 1950s Forced a Transition in Economic Policy-Making, in D. Keogh, F. O'Shea and C. Quinlan (eds), *Ireland: The Lost Decade in the 1950s*, Dublin: Mercier Press.
- Chart, D. (1920). *An Economic History of Ireland*, Dublin: Talbot Press.
- Clarendon, R. (1791). *A Sketch of the Revenue and Finances of Ireland*, Dublin: P. Byrne.
- Clarke, P. (1984). A Critique of Income Tax Evasion with Special Reference to Ireland, unpublished PhD thesis, Dublin: University College Dublin.
- Clarke, P. (2004). Footprints in the Sand: Exploring the Evolution of Management Accounting Practices in Ireland, *Irish Accounting Review*, Vol. 11, No. 1, pp. 1–18.
- Clarke, P. (2006). The Introduction of Exports Sales Relief: A Fifty-Year Review, *Accountancy Ireland*, February, Vol. 38, No. 1, pp. 85–86.
- Clarke, P. (2014). Let Them Pay for Their Starvation: The Imposition of Income Tax on Ireland in 1853, paper presented at the Annual Conference of the Irish Accounting and Finance Association, Queen's University, Belfast, 29–30 May.
- Coffield, J. (1970). *A Popular History of Taxation*, London: Longman.
- Commission on Income Taxation (1958). *First Report*, Dublin: Stationery Office.
- Commissioners of Inland Revenue (1857). *First Report of the Commissioners of Inland Revenue on the Inland Revenue*, London: Her Majesty's Stationery Office.
- Curtis, E. (2002). *A History of Ireland: From the Earliest Times to 1922*, eighth edition, London: Routledge.
- Daly, M. (1981). *The Social and Economic History of Ireland since 1801*, Dublin: Educational Company of Ireland.
- de Cogan (2013). The Wartime Origins of the Irish Corporation Tax, *Irish Historical Studies*, Vol. 3, No. 2, pp. 15–32.
- Department of Finance (2013). Department of Finance, Exchequer Statement (Tax Revenue), 37806, available from: <<http://137.191.228.14/documents/exchequerstatements/2013/analtaxdec.pdf>>, accessed 27 May 2014.
- Dickson, D., Ó Gráda, C. and Daltrey, S. (1982). Hearth Tax, Household Size and Irish Population Change 1672–1821, *Proceedings of the Royal Irish Academy*, Vol. 82, sect. C, No. 6, pp. 125–181.
- Dilke Committee (1906). *Report of the Select Committee on Income Tax*, London: His Majesty's Stationery Office.
- Donnelly, A. (1954). The Administration of Customs and Excise, in F. King (ed.), *Public Administration in Ireland*, Vol. III, pp. 266–284, Dublin: Browne and Nolan.
- Dowell, S. (1884). *A History of Taxes and Taxation in England*, Vol. 2, London: Longmans.
- Doyle, G. (ed.) (2007). *Irish Taxation: Law and Practice*, Dublin: Irish Taxation Institute.
- Ellis, S. (1977). Taxation and Defence in Late Medieval Ireland: The Survival of Scutage, *Journal of the Royal Society of Antiquaries of Ireland*, Vol. 107, pp. 5–28.
- Farmar, A. (1988). *A History of Craig Gardner & Co*, Dublin: Gill & Macmillan.
- Farmar, A. (2013). *The Versatile Profession: A History of Accountancy in Ireland since 1850*, Dublin: Chartered Accountants Ireland.
- Ferguson, N. (2012). *Civilisation*, London: Penguin Books.

- Financial Relations Commission (1896). *Report of the Royal Commission on the Financial Relations of Great Britain and Ireland*, London: Her Majesty's Stationery Office.
- Frecknall-Hughes, J. (2014). Research Methods in Taxation History, WU international taxation research paper series no. 2014-04, University of Vienna.
- Gilbert, J. (1889). *Calendar of Ancient Records of Dublin*, Dublin: Dollard.
- Government of Great Britain and Ireland (1799). Income Tax Act, 39 George III, House of Commons.
- Government of Great Britain and Ireland (1842). Income Tax Act, 5 and 6 Victoria, House of Commons.
- Government of Great Britain and Ireland (1853). Income Tax Act, 16 and 17 Victoria, House of Commons.
- Government of Great Britain and Ireland (1918). Income Tax Act, 8 and 9 George V, House of Commons.
- Hansard (1853). *House of Commons, Official Report*, Sir W. Gladstone, 18 April.
- Hansard (1894). *House of Commons, Official Report*, Sir W. Harcourt, 16 April.
- Hardiman, N. (2000). Taxing the Poor: The Politics of Income Taxation in Ireland, *Policy Studies Journal*, Vol. 28, No. 4, pp. 815-842.
- Hardiman, N. (2002). The Development of the Irish Tax State, *Irish Political Studies*, Vol. 17, No. 1, pp. 29-58.
- Holden, F. (1953). Property Taxes in Old Dublin, *Dublin Historical Record*, Vol. 13, No. 3/4, pp. 133-137.
- Hynes, W. (2013). To What Extent Were Economic Factors Important in the Separation of the South of Ireland from the United Kingdom and What Was the Economic Impact?, *Cambridge Journal of Economics*, Vol. 38, March, pp. 369-397.
- IRC v *Burmah* (1982). *Inland Revenue v Burmah Oil Company Limited*, House of Lords, STC 30.
- Irey, E. and Slocum, W. (1949). *The Tax Dodgers: The Inside Story of the T-Men's War with America's Political and Underworld Hoodlums*, New York, NY: Garden City Publishing Company.
- Kane, A. (2014). Public Revenues and Expenditures of Ireland in the Eighteenth Century, database at <www.duanaire.ie>, accessed 4 September 2014.
- Keena, C. (2014). Revenue Limits Tax Assurances to Firms, *Irish Times*, 21-22 June.
- Kennedy, K. and Dowling, B. (1975). *Economic Growth in Ireland: The Experience since 1947*, Dublin: Economic and Social Research Institute.
- Kepple, S. (1937). A Survey of Taxation and Government Expenditure in the Irish Free State 1922-1936, unpublished MA thesis, Cork: University College Cork.
- Kinealy, C. (2006 [1994]). *This Great Calamity*, Dublin: Gill & Macmillan.
- Lawrence, E. (1957). *Henry George in the British Isles*, East Lansing, MI: Michigan State University.
- Lynch, T. (1964). *The History of Income Tax*, published by The Accountants Publishing Co. for The Institute of Chartered Accountants in Scotland, pp. 1-12. (Reprinted from *The Accountants*, February 1962.)
- MacDowell, M. (1977). Malthus and George on the Irish Question: The Single Tax, Empiricism and Other Positions Shared by the 19th Century Economists, *American Journal of Economics and Sociology*, Vol. 36, No. 4, pp. 401-416.
- MacHale, J. (1947). The Present System of Direct Taxation in Éire, unpublished M. Comm. thesis, Dublin: University College Dublin.
- MacSharry, R. and White, P. (2000). *The Making of the Celtic Tiger*, Dublin: Mercier Press.
- Maguire, T. (2014). *Ireland's General Anti-Avoidance Rule and the Rule of Irish Law*, Dublin: Irish Tax Institute.
- McGrath, C.I. (2000). *The Making of the Eighteenth-Century Irish Constitution*, Dublin: Four Courts Press.

- McGrath, C.I. (2012). *Ireland and Empire, 1692–1770*, London: Pickering & Chatto, e-book, available from: <<http://www.pickeringchatto.com/titles/1602-9781851968961-ireland-and-empire-1692-1770>>, accessed 4 September 2014.
- McGrath v McDermott (1988). IR 258.
- Meenan, J. (1970). *The Irish Economy since 1922*, Liverpool: Liverpool University Press.
- Moody, T. and Martin, F. (1967). *The Course of Irish History*, Dublin: Roberts Rinehart Publishers.
- Monroe, H. (1981). *Intolerable Inquisition*, Hamlyn Lecture Series, London: Stevens & Sons.
- Murray, A. (1907). *History of the Commercial and Financial Relations between England and Ireland from the Period of the Restoration*, London: P.S. King & Son.
- O'Brien, P. (2011). The Nature and Historical Evolution of an Exceptional Fiscal State and Its Possible Significance for the Precocious Commercialisation of the British Economy from Cromwell to Nelson, *Economic History Review*, Vol. 64, No. 2, pp. 408–446.
- O'Broin, J. (1983). The Taxpayer and the Revenue, *Accountancy Ireland*, Vol. 15, September, pp. 20–26.
- O'Halloran, M. (2005). *From Bórainmhe to Bit: The Art of Taxation*, Dublin: The Institute of Taxation.
- Organisation for Economic Co-Operation and Development (2014). *OECD/G20 Base Erosion and Profit Switching Project*, Paris: OECD.
- Organisation for Economic Co-Operation and Development (2013). *Addressing Base Erosion and Profit Shifting*, Paris: OECD.
- Phillips, W. (1967). The Real Objection to the Income Tax of 1799, *British Tax Review*, pp. 177–186.
- Purtill, P.J. (1923). Income Tax as Affected by the Establishment of the Irish Free State, lecture reprinted in *The Accountant*, 26 May 1923, Vol. LXVIII, No. 2529, pp. 436–440.
- Ramsay v IRC (1982). W.T. Ramsay v Inland Revenue, AC 300 (1981).
- Reamonn, S. (1981). *History of the Revenue Commissioners*, Dublin: Institute of Public Administration.
- Revenue Commissioners v O'Flynn Construction (2011) IESC 47.
- Revenue Commissioners (1926). *First Annual Report of the Revenue Commissioners of Saorstát Éireann (For the year ended 31 March, 1924)*, Dublin: Stationery Office.
- Richardson, H. and Sayles, G. (1962). Irish Revenue, 1278–1384, *Proceedings of the Royal Academy*, Vol. LXII, No. 4, sect. C, pp. 87–100.
- Robinson, H. (1964). *A History of Accountants in Ireland*, Dublin: Institute of Chartered Accountants in Ireland.
- Sabine, B. (1966). *A History of Income Tax*, London: Allen and Unwin.
- Saorstát Éireann (1923). *Saorstát Éireann 1922/23: Estimates for Public Services for the Year Ending 31 March, 1923*, Dublin: Stationery Office.
- Seanad Éireann (1952) *Parliamentary Debates*, Vol. 41, 3 December.
- Tinker, T. (1985). *Paper Prophets: A Social Critique of Accounting*, London: Holt, Rinehart and Winston.
- Treadwell, V. (1976–1977). The Irish Customs Administration in the Sixteenth Century, *Irish Historical Studies*, Vol. XX, pp. 384–417.
- Whitaker, T.K. (1973). From Protectionism to Free Trade: The Irish Experience, *Administration*, Vol. 21, No. 4, pp. 405–423.