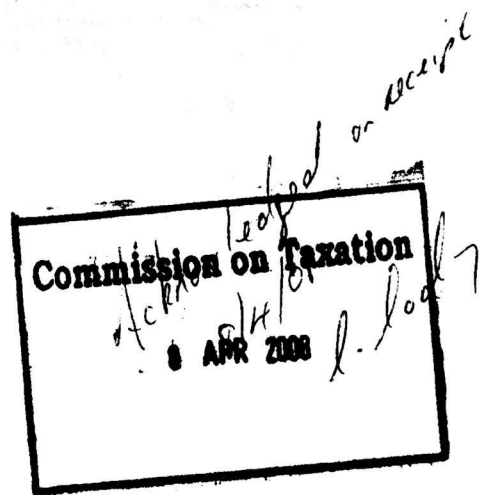


25th March 2008 Jim Kelly

Commission on Taxation
Le Pole House
Ship Street Great
Dublin 8



Commission on Taxation Invitation to make Submissions

Dear Mr Kelly

I enclose two newspaper cuttings in relation to the provision of car parking spaces in general and in Dublin inner city in particular.

To me they seem to expose a rather contradictory attitude towards the taxation by Revenue of what appears to be a substantial benefit in kind.

Apart from equity in taxation, worthwhile environmental benefits from car use reduction could flow from reviewing the current situation as it should of course not just concentrate on civil servants in Dublin but should include facilities provided for local authority staff, elected representatives, TD's etc, and staff of public and private companies who enjoy this privilege.

In these days when charging is being discussed for the use of cars in the city centre the necessity for this might be avoided if such use could be discouraged in a more reasonable and equitable way.

Taxing such benefits in kind might be an attractive way for Local Authorities to raise seemingly badly needed revenue.

Yours sincerely

John Newman

Government pays €8.5m for city parking

DAVID LABANYI

More than €8.5 million is spent each year by the Government in rent for almost 4,000 car parking spaces for civil servants working in Dublin.

The cost of the 3,954 spaces ranges from the most expensive at €11,306 a space at Arran Quay to the cheapest at €317 per space for parking for eight cars at Amiens Street. Both car parks are in Dublin 1.

The annual bill for renting the seven spaces at Arran Quay is €79,147 per year, while the lease cost of the Amiens Street site is just €2,539 a year for the eight spaces.

Across Dublin, the average cost paid by the Government for civil service parking is €1,928 per annum.

A spokesman for the Office of Public Works - which provided the details - said the vast majority of parking rented by the State did not generate any income because civil servants are not charged for using it.

The civil service has access to a further 3,299 parking spaces on State-owned properties which include many Garda stations in the capital, the Four Courts and at Phoenix Park.

While most of the parking spaces are attached to buildings already leased by the State, 762 additional stand-alone spaces

are leased. The cost of renting this additional parking is €2.4 million per year.

The cost of the 3,192 parking spaces available to the Government as part of a leased building is €6.1 million.

Under tax rules, benefit-in-kind is not charged on car parking spaces provided by an employer as they are not "treated as giving rise to a taxable benefit," according to a spokesman for the Revenue.

The OPW said the number of parking spaces provided for civil servants had declined marginally in recent years and was expected to fall still further as civil servants were decentralised.

The majority of rented Government car parking is in the Dublin 1 and 2 postal areas with 2,355 spaces leased in these districts.

These are also among the most expensive with an overall annual cost of €5.85 million or an average of €2,483 per space per annum.

This is more than double the €1,032 per annum cost of providing the 1,599 car parking spaces outside the Dublin 1 and 2 areas, the provision of which has an annual cost of €1.65 million.

The most expensive civil service parking spaces, at Arran Quay, costing €11,306 a space are used by officials from the Department of Health, according to the

OPW. Also among the most expensive parking spaces are 10 spots for Department of Finance staff at Mount St Lower which cost €31,751 per annum, or just over €3,175 per space.

Based on these figures the State is getting a good deal, according to Liam Keilthy of Parking Consultants Limited, based in Dublin.

"If you wanted a year's lease for a parking space in Stephen's Green, if you could find one, it would cost between €3,500 and €4,500 annually before VAT. In Ballsbridge, parking spaces cost around €3,000 so that's your benchmark.

"That would suggest the State is getting a good deal. The average price they are paying is about half what it should be and that could be because of long leases and that they are buying so many."

Mr Keilthy said there were in total about 65,000 parking spaces in Dublin, including all on-street parking and those spaces leased by the Government.

"There are some interesting things happening in parking in the city. Dublin city council owns three car parks and its pricing structure discourages long stay parking. The first four to five hours are okay but the price for parking longer than that increases significantly," he said.

interest arises as some doctors have deals going back a number of years.

Peppercorn rents are likely to be liable for gift tax as the property is 'gifted' at below market value.

A spokesman for the Revenue Commissioners said: "Where a person has the use and enjoyment of a property either for no consideration or less than the full consideration, a charge of tax would arise."

The move is set to be a blow to pharmacy multi-millionaire Fergus Hoban whose Touchstone company is investing €500m to roll out up to 60 health centres.

KEEP