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Jim Kelly 19th May 2008
Sec.
Commission on Taxation

A chara,

In reply to your invitation to make submissions to the Commission on Taxation, I would like to make a submission under the heading Capital Acquisitions Tax.

My interest in this topic arises from personal experience this past year. My elder sister died March '07 leaving her house (which had been the family home) to her 4 surviving siblings — the house to be sold and proceeds divided equally among the four. Probate came through Oct 07, and, as obliged by C.A.T self assessment rule we each paid our share of the tax, (based on the market value given by the Estate agent at the time of probate), within 4 months i.e. Feb. '08

The house has been on the market since Oct 07 with the same Estate agent who gave the Valuation, but as yet not one offer to buy has been made, so we find ourselves having paid our shares of C.A.T under pain of penalties with money that could be earning interest for us in the normal way, while we have not received one cent from our inherited property.

My contention is that the present method of collecting C.A.T. before the realisation of the assets concerned is inequitable, harsh + unduly penal on people such as myself – a pensioner

<u>My proposal</u> is that.

(1) where an inherited property is to be sold C.A.T should not be required to be paid till after the sale of the property and should be based on the Sale price and not the Valuation at time of Probate.

(2) If the Sale price is less than the Valuation at time of probate the difference in tax paid should be refunded to the tax payers involved, just as, at present, if the Sale price is in excess of Valuation Capital Gains Tax is payable on the excess.

Finally, as one of the stated objectives of the Commission on Taxation is to increase the fairness of the taxation system and to keep the overall tax burden low, I hope you will give serious and favourable consideration to my proposal.

Mise le meas.

Céline Beggan.