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## Ireland Dangerously Reliant on Company Taxes, Watchdog Says

By Peter Flanagan

Nov. 28, 2019, 5:09 AM

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Bloomberg Law News 2019-11-29T11:30:43409-05:00

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By Peter Flanagan 2019-11-28T05:09:55310-05:00

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Ireland is too reliant on corporation tax from a small number of international operations to fund spending, the state's fiscal watchdog warned.

Companies pay more than 10 billion euros (\$11 billion) worth of tax in Ireland, which is almost a fifth of all tax collected, the nation's Fiscal Advisory Council said in a report on Thursday. That leaves the government vulnerable to any sudden drop in corporation tax, it said. Half of the corporate tax take flows from 10 companies, the watchdog said.

As much as 60% of the corporation tax take is "beyond what would be projected based on the economy's underlying performance and based on historical or international norms," IFAC said. "The reliance on these volatile receipts leaves the government vulnerable to changes to the global tax environment."

The council, set up to monitor spending during the financial crisis, has been critical of government policy in recent years. The government's planned spending increases next year are "right at the limit of what would be considered sustainable," it said.

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