

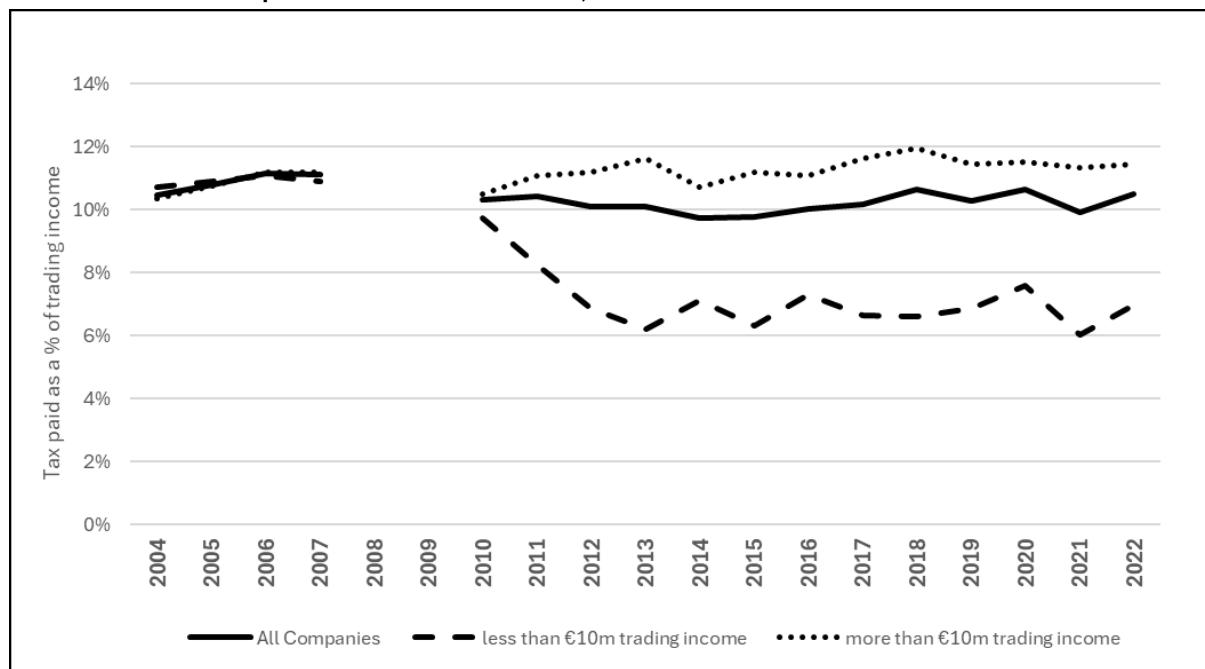
## Taxation

Table 8.1: Ireland's Tax Gap, 2023-2026

	2023	2024	2025	2026
<b>Tax-take € per capita</b>				
Budget 2025 projection	19,857	20,649	21,701	22,631
<i>Social Justice Ireland</i> target	23,608	25,509	26,866	28,264
Difference	€3,751	€4,860	€5,165	€5,633
<b>Overall Tax-take €m</b>				
Budget 2025 projection	104,879	111,097	117,692	124,020
<i>Social Justice Ireland</i> target	124,690	137,248	145,705	154,890
<b>Tax Gap</b>	19,811	26,150	28,013	30,870

Notes: See [Social Justice Matters: 2025 guide to a fairer Irish society - Page 77](#)

Chart 8.1: Effective Corporation Tax Rates in Ireland, 2004-2022



Source: Calculated from Revenue Commissioners online Corporate Tax Statistics

Note: Comprehensive corporate tax data was not published for 2008 and 2009

## Taxation

### Tax Base



We welcome the commitment to maintain a broad tax base in the PfG. The first step on this path should be a revised tax-take target on a per capita basis.

We propose a new tax-take target of €15,000 per capita in 2017 terms, increasing annually in line with nominal GNI\*. This translates to approximately €26,800 per capita in 2025, requiring an additional €28 billion per annum in stable, recurring tax revenue to be raised excluding windfall gains. Our target is calculated using CSO population data, ESRI population projections, and CSO and Department of Finance data on recent and future nominal overall taxation levels.

Table 8.1 compares our target to the Budget 2025 expectations of the Department of Finance. We also calculate the overall tax gap for the economy; the difference between the level of taxation that is proposed to be collected and that which would be collected if our target was achieved. As part of our calculations, we have adjusted the expected Department of Finance tax-take to remove an estimate of the short-term excess corporate tax revenue the state is currently receiving; revenues which are likely to go elsewhere as the broader OECD and EU reforms of corporate taxation regimes advances. In 2025, the overall tax gap is €28 billion, equivalent to approximately €5,000 per capita. The average gap over the period 2023-2026 is €26 billion per annum. While these figures look large, they should be understood in the context of current windfall taxes from corporations, which are being mostly spent, dramatically reduced income taxes levels over recent years, a narrow tax-base, and persistent deficits in the provision of public services and infrastructure.

### Corporation Taxes

The issue of corporate tax contributions is principally one of fairness. We welcome the OECD BEPS Pillar 2 proposals being adopted for large firms and suggest that next government should adopt policies to ensure that the 15 per cent minimum effective corporate tax rate for large firms is successfully implemented. Government should extend this measure to all corporate taxpayers over the next few years.

The latest data from the Revenue Commissioners on corporate taxes (published in 2024 with returns data for 2022) reports a total of 92,500 corporate taxpayers who paid €23.8 billion in corporation tax for 2022 (Revenue, [2024](#)). The report highlights the skewed nature of this tax source: 84 per cent comes from foreign owned multinationals, 5 per cent from Irish owned multinationals and 11 per cent from other Irish firms. Corporate tax payments are concentrated among large corporates (85 per cent) and in particular within the top 10 companies (52 per cent of all payments). Across all firms the average effective tax rate in 2022 was 10.5 per cent; a figure that has remained relatively stable over the last decade (see Chart 8.1) although there are differences in the rates paid when firms are examined by trading income. The report also notes that firms are carrying forward €260 billion of losses which can be used in future years to offset profits and tax liabilities; these include a large amount of losses being carried forward by the commercial banks rescued by the state during the financial crisis.

### Policy Priorities

- Set a new tax-take target and increase the overall tax-take to reach this target.
- Adopt policies to ensure the 15 per cent minimum effective corporate tax rate is implemented.