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Cuts to 52% Tax Rate Won't Help Middle Earners

TASC - Think-tank for Action on Social Change (www.tasc.ie)

FOR IMMEDIATE RELEASE

In response to recent remarks about tax cuts, TASC, Ireland's independent progressive think tank, is calling for an open and honest discussion about taxation.

"Cuts to the higher rate of income tax will only help the top one in six earners" says Nat O'Connor, TASC's Research Director. "The repeated claims by senior members of government that the 52% marginal tax rate needs to be cut to help middle and low income families is misleading."

"TASC's research, backed-up up by official government figures, shows that only 17% of those paying income tax are paying at the higher rate. A cut to the 41% tax rate really benefits those on the highest incomes. Even then, people who pay only a small share of their income at the higher rate will only see a small benefit." Dr O'Connor concluded.

While welcoming the recent good news about the economy, TASC's analysis cautions that tax cuts will undermine these achievements.

Cormac Staunton, TASC's Policy Analyst explained that "Tax giveaways were a feature of the Celtic Tiger. They completely eroded our tax base, and led to a collapse in public finances that we still haven't repaired. Spending on services and investment has been slashed across the board.

"If there is scope to "give something back" it should be spending on investment to promote job creation and to improve public services." Mr Staunton concluded.

ENDS

Notes to Editors below

TASC is an independent progressive think-tank. Our vision is of a flourishing society based on economic equality and democratic accountability.

Nat O'Connor's latest analysis of the tax debate is here: <http://www.progressive-economy.ie/2014/09/why-reduce-52.html>

A copy of TASC's analysis of taxation, along with six Policy Briefs, can be found here: <http://www.tasc.ie/researchpolicy/projects/tax-policy/>

Website at **www.tasc.ie**

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