

Brigid Timmons [REDACTED]

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[REDACTED]

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## Inequality and Discrimination.

### **The Constitution is a barrier to Equality**

I am asking the Citizens' Assembly to consider and highlight the unfair treatment of childless single people when it comes to the amount of tax to be paid by their beneficiaries. Such highlighting would help and is necessary to instigate pressure on the government to make the necessary changes to the CAT laws in favour of equitable ones.

This is something that adversely effects people across many walks of life and is often something to be discovered after someone dies. We Irish though we do great funerals are not inclined to openly discuss any details pertaining to inheritances.

The beneficiary may be reluctant to *complain* about the financial burden and fallout in the aftermath of becoming such a beneficiary. It is only when prudent and proper advice and consideration is given as to how one is to handle their own financial legacy that individuals become aware of what devastation can lay ahead for the unrelated beneficiaries of single people. Often it means the legacy of the single person is wiped out - be it property, a business etc., as the beneficiary has so much tax to pay. Often a property is sold in order to pay the tax and likewise a small business might fold...in order to pay the tax.

For the purpose of this correspondence I don't need to go into the finer details here about CAT. as this information is readily available on the revenue and citizens advice websites <https://www.revenue.ie/en/gains-gifts-and-inheritance/cat-thresholds-rates-and-aggregation-rules/index.aspx>

- The unrelated beneficiaries of single people - "strangers" as they are called in law, have a dismal threshold (Category C) whereby they pay most tax. This is based on *status* alone which is unjust.

One section of people should not be favoured above another if we are assuming an equal society. This may have resulted from a time when the family was perceived to have needed special protection by the constitution and church.

The definition of the family has changed considerably since the forming of the constitution and laws need to be revised...similar to how marriage laws have changed etc.

Farmers already have benefits bestowed on them- like that of “favourite” niece and nephew clauses within CAT laws as well as the partnership "concession". Now that there are civil unions too that group or cohort is protected.

No such benefits or privileges exist for single people. Single people exist in every walk of life, make contributions in terms of business and growth etc yet they have less of a "drain" on the economy than married & civil partners can have etc.

- Already a submission has gone to the Law reform commission (2018) and a legal opinion document is completed (available on request) as it lays out the rational and legal principles for a ruling which hopefully can come later.
- Questions have been asked in the Dáil over the last 2.5 years and as recently again as last Dec 2019 by Deputies Maureen O' Sullivan and Michael Healy Rae. The answers by Pascal Donohue are framed within the security of the constitution which entitles him to allow and continue this discrimination.
- The Constitutional law needs to be changed to rectify this...unless of course the state is prepared to stand over inequality and discrimination.

### Capital Acquisitions Tax laws promote inequality.

We should not have to put up with discrimination as well as the belief to accept these CAT laws as fair is because it is the law according to the constitution. The Law should always promote equality.

(Pascal Donohue Finance Minister at end of year 2019 has stated in response to questions raised by Deputy Maureen O' Sullivan)

As you are aware, Inheritance tax is a tax on unearned wealth and it is recognised that effective taxation of capital is an important tool for addressing income and wealth inequality. Therefore, inheritance tax is a fundamental element of using our tax code to help create a fairer society. The rules underpinning the operation of inheritance and gift tax do allow for specific exemptions where no tax is applied.

- The CAT laws tool addresses income and inequality only in that it protects the beneficiaries of married and civil partners, at a cost to beneficiaries of single people

- Our society is not “fairer” when people are being treated differently.
- The right to equality is a human right. The definition of equality is easy - one group should not be made more privileged than another because of its “status”.
- The current CAT laws are perpetrating discrimination by putting one or more groups in an advantageous privileged position

It is important for the state to assert that all people have the same value i.e. a single person is equal to a married person.

The principle of equality should be upheld, protected and demonstrated.

The state should be seen to take affirmative action to diminish and eliminate any conditions that cause discrimination, when we look at CAT and categories ABC the opposite is the case.

(Pascal Donohue Finance Minister 2019 has also stated):

Where a couple is cohabiting, rather than married or in a civil programme, each partner is treated for the purposes of tax as a separate and unconnected individual. Cohabitants do not have the same legal rights and obligations as a married couple or couple in a civil partnership which is why they are not accorded similar treatment to couples who have a civil status that is recognised in law.

Status as it is accepted regarding CAT in Ireland is in itself discriminatory.

- Single childless people are not perceived in the tax system as equal to those who are civil partners or married unions.

- The beneficiaries of those couples be they heterosexual or homosexual or others, who choose to live together without the security, formality and conformity of civil partnerships or marriages are being denied tax benefit.
- Alternatively, couples and single people are therefore lured /coerced into conforming by marrying or becoming civil partners...in order for their beneficiaries to be in an advantageous position regarding tax.
- Single, childless individuals are discriminated against by not having the same Tax benefits for their beneficiaries as the beneficiaries of those who conform and marry. This predicament is unjust and unequal as one group is favoured over another.
- Single people do not have the same rights, privileges or responsibilities as those who are protected by being married or in civil partnerships.
- The state is protecting the institution of marriage at the cost to those who choose to live as individuals or as unmarried or not in civil union couples. This is a clear denial of the right of the individual to exist as he or she chooses, unless he or she is prepared to forgo the benefits bestowed on the beneficiaries of marrieds and civil partners.
- It appears the state is prepared to pay people to marry
- Now that the UK has changed its laws and heterosexual couples can have civil partnerships will Ireland recognise these unions?

- Why are thresholds B & C combined in Pascal Donohue's figures for Budget 2020 ? They are dramatically different and no increase was afforded to Cat C in the recent budget.
- From a practical perspective it would be much easier to consider all beneficiaries as equals and to tax the recipients equally. Married and civil partners are singled out with a so called verifiable status- this is not equality. It is discriminatory in their own favour.

(Pascal Donohue Finance Minister 2019 has stated)

From a practical perspective, it would be very difficult to administer a regime for cohabitants which would be the same as that for married couples or civil partners. Married couples and civil partners have a verifiable official confirmation of their status. It would be difficult, intrusive and time-consuming to confirm declarations by individuals that they were actually cohabiting. It would also be difficult to establish when cohabitation started or ceased.

- Surely the CAT laws should apply in the same manner to all, regardless of a person's status. This is called equality and the rule of law should be applied to safeguard everyone not one group above another.

A legal opinion document is complete and available upon request.

Thank you very much, and happy to answer any questions or do anything useful at this end.

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