
Submission to the Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach

REF: JFPERT-I-0867

November 2023

The American Chamber of Commerce Ireland

The Voice of US-Ireland Business

The American Chamber of Commerce Ireland (AmCham) is the collective voice of US companies in Ireland and the leading international business organisation supporting the Transatlantic business relationship. Our members are the Irish operations of all the major US companies in every sector present here, Irish companies with operations in the United States and organisations with close linkages to US-Ireland trade and investment.

The American Chamber of Commerce Ireland (AmCham) welcomes the Committee's request for a written submission regarding the EU 'own resources' proposal, where a share of residual profits from multinationals that would be re-allocated to EU Member States under the recent OECD/G20 agreement, and the potential impact of the proposals.

In relation to the proposal on own resources, AmCham notes that this proposal does not have a direct impact on business but does have a direct impact on the Exchequer. In this regard, it is noted that the calculation of the 'own resources' proposal would be based on gross profits of businesses which does not correlate with the tax that the Irish Exchequer receives. Further, AmCham is cognisant that the proposed method of calculating this payment may disproportionately impact Ireland due to the large number of MNCs located in the country.

While the 'own resources' proposal does not directly impact business, it does have the potential to indirectly impact the environment in which business operates in Ireland. Ireland is recognised internationally as an excellent location in which to invest and grow. In a recent survey of AmCham members, 47% of members identified 'investment in infrastructure and capacity to support future growth' as the number one priority in terms of how Ireland can build on its FDI success and attract more investment. Should the 'own resources' proposal be advanced, this may have an impact on funding streams for key infrastructural projects which are vital to supporting Ireland's position as a destination of choice for inward investment.

Should there be an impact in revenue, the implementation of the 'own resources' proposal may lead to the need to recuperate any resultant shortfall from elsewhere in the economy. This could lead to an increase in taxes elsewhere in the Irish tax system. As the global battle for investment is at its most competitive, it is important that Ireland protects, and enhances, its attractiveness for both business and talent. AmCham has continuously highlighted the importance of ensuring cost competitiveness for business, and reducing the personal tax burden to support talent and continued job creation.

Certainty and stability with regard to the overall European environment in which business operates is important in supporting growth and investment in the EU into the future.

AmCham believes it is important to consider the indirect impacts that may result from the 'own resources' proposal in terms of supporting Ireland's reputation as a great place to live, work, do business, and invest.