

Finance Bill 2020

Key measures

Note: all references are to sections of Finance Bill 2020 as initiated unless otherwise stated

Committee Stage amendments noted in green

Report Stage amendments noted in grey



Income Tax Measures



Universal Social Charge

Section 2 FB 2020

Increase in USC Thresholds

- **Section 531AN**
- Threshold at 2% has been increased from **€20,484 to €20,687**
- Minimum wage workers will pay maximum 2% USC.
- Commences in Tax Year 2021

Reduced Rate of USC

- **Section 531AN**
- Extension of the reduced rate until the end of tax year 2021.
- Applies to medical card holders under the age of 70 who has annual individual income of less than 60,000

Universal Social Charge

Section 2 FB 2020

Tax Year 2020	
First €12,012	0.5%
Next €8,472	2%
Next €49,560	4.5%
Remainder*	8%

Tax Year 2021	
First €12,012	0.5%
Next €8,675	2%
Next €49,357	4.5%
Remainder*	8%

*Self employment income over €100,000 will be subject to an additional 3% i.e. higher rate of 11%

Tax Credits

Dependent Relative Credit

- **Section 466**
- The above has been amended to include an increase to the dependent relative credit of €175.
- This has increased from €70 to €245 of a credit.

Section 5 FB 2020

Earned Income Credit

- **Section 472AB**
- The earned income credit has now been increased to €1,650
- Applies from the tax year 2020
- It is now in line with the employee tax credit

Section 9 FB 2020

Sea-going Navel Credit

- **Section 472BB**
- Extended to the tax year 2021
- Increase from €1,270 to €1,500
- Cannot claim Section 472B or 472BA in same year

Section 10 FB 2020

Mobility Allowance

Section 6 FB 2020

- New section 192H TCA 1997
- Applies to a payment made under Section 61 of the Health Act 1970 – commonly known as Mobility Allowance
- A payment made under Section 61, shall be exempt from Income Tax and will not be reckoned in computing total income for the purposes of the Income Tax Acts
- Mobility Allowance scheme is now closed, only individuals who are currently on the scheme will be entitled.
- This will apply to payments on and before the 1 January 2021

Home Sharing Host Allowance

Section 4 FB 2020

- The amendment to **section 192BA TCA 1997** is to include individuals who take care of another individual on behalf of the Health Service Executive in respect of what is generally known as a Home Sharing Host Allowance.
- The above amendment will provide an exemption from Income Tax for certain payments made on behalf of the Health Service Executive.
- Applies to the tax year 2020 and each subsequent year of assessment.

Help to Buy Scheme

Section 7 FB 2020

- Section 477C(5A) TCA 1997
- extend the Help to Buy Scheme until December 2021.
- July Stimulus Plan also increased this Scheme by €10,000.
- Help to Buy relief is now the lessor of
 - €30,000 or
 - 10% of the purchase price of the new home / the completion value of the property in case of self –builds or
 - The amount of Income Tax and DIRT paid over the last four years prior to making the application

Pandemic Unemployment Payment

Section 3 FB 2020

- Section 126 TCA 1997
- Amendment to Section 126 to put legislative footing in place to ensure the Pandemic unemployment payment made under **Section 202** is considered taxable for individuals.
- The above is deemed to come into operation since 13 March 2020.
- Any individual that may have a tax liability at the end of 2020, can either pay in full or reduce their tax credits over the tax years (2022-2025)

Share Scheme Reporting

Section 8 FB 2020

Share Scheme Reporting

- Section 897B TCA 1997
- Is applicable where any employee or director is awarded shares, or cash equivalents of shares, and Income Tax under Schedule D or Schedule E may be chargeable in respect of that award.
- If such award is provided, then the employer must detail the particulars thereof to the Revenue in an electronic format on or before the 31 March in the year of assessment following that year.
- The above also will apply to the value of discounts on shares awarded.

Share Scheme Reporting

- This reporting requirement has also been included in the following sections
- Section 128C TCA 1997 - Convertible Securities
- Section 128D TCA 1997 - Restricted Shares
- Section 128E TCA 1997 – Forfeitable Shares

Professional Services Withholding Tax (PSWT)

Section 13 FB 2020

Part 18 Chapter 1 TCA 1997

PSWT is a 20% withholding tax deducted by State and Semi-State bodies ('accountable persons') from payments for certain professional services

Modernisation of the PSWT system - provision by Revenue of an online "PSWT service"

Subject to a Ministerial Commencement Order

Two filing requirements by the "accountable person"

1. Payment notification
2. Annual PSWT return

Professional Services Withholding Tax (PSWT)

Section 13 FB 2020

Payment Notification

Provision of the following details of the professional service provider

- income tax/corporation tax/ partnership tax number and their VAT number (if relevant); or
- Country of residence, foreign tax reference number and contact details (if not Irish Resident)

Submission of Payment notification via PSWT online service

Due date: 23rd day of the month following payment

Annual PSWT returns

- Electronically file annual returns
- The return is to be filed by 23 February of the following year and should contain the following details:
 - All amounts of PSWT deducted from relevant payments made during the year
 - All amounts of PSWT remitted by the accountable person to Revenue during the year
 - Any amounts of PSWT owed by the accountable person in respect of relevant payments made during the year

Debt Warehousing Scheme **Income Tax**

Section 63 FB 2020



Extension of debt warehousing scheme to include:

- 2019 income tax balance *plus* 2020 preliminary tax for self-assessed taxpayers impacted by Covid-19 restrictions and therefore unable to pay their tax liabilities
- 2020 income tax balance plus 2021 preliminary tax also included
- 12 month deferral @ 0% interest (normally 8%)
- Following 12 months @ 3% interest. Repayment plan required

If 2019 preliminary tax obligations were not fully satisfied, then the balance of income tax due for 2019 cannot be warehoused.

May apply for the 3% reduced interest phased payment arrangement

- The taxpayer may still be eligible to warehouse their 2020 preliminary tax due
- Agreement required with Revenue no later than **10 December 2020**

Debt Warehousing Scheme **Income Tax**

Section 63 FB 2020

Taxpayer who expects their income for **2020** to be at least **25%** lower than their income for **2019** due to Covid-19 restrictions

01

Taxpayer must make a declaration
ROS filers must file Form 11 on or before **10 December 2020** and apply for debt warehousing
Paper filers had until **31 October 2020**

02

Declaration made on the ROS Statement of Net Liabilities

03

Individuals whose taxes are warehoused will still obtain tax clearance certificates if they comply with their other tax obligations

04

Taxpayers who have already filed their 2019 Form 11 may avail of the debt warehouse scheme

Corporation Tax Measures



Accelerated capital allowances

Section 12 FB 2020

Regime

- **100%** capital allowances on expenditure on energy efficient equipment used for trade purposes

Deadline

- This relief has been due to expire **31 December 2020**

Finance Bill Amendment

- Extension to **31 December 2023** (via Financial Resolution changing Section 288(3C) TCA 1997)

Report Stage Amendment

- New **Section 285D TCA 1997** provides for accelerated wear and tear allowances on farm safety equipment
- List of qualifying equipment and relevant conditions to be satisfied outlined in legislation

Other points to note

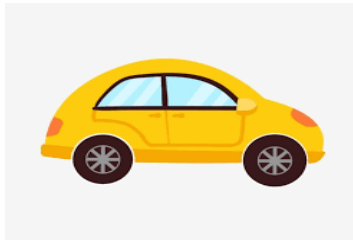
- Energy efficiency criteria to be re-assessed to ensure they remain up to date

Passenger Vehicles – Capital Allowances

Section 14 FB 2020

Regime

- Wear and tear allowances for motor vehicles over an 8 year period
- Deduction for lease costs also available
- Based on new definition of CO2 emissions (arising from new EU testing system)



Finance Bill Amendment

- CO2 emissions / thresholds being amended to now be in line with EU emissions testing regime
- New categories relevant for expenditure incurred on or after **1 January 2021**
- Hire of cars – under old regime where first payment was made and contract entered into prior to **1 January 2021**

Intangible Asset Regime

Section 17 FB 2020

Intangible Asset Relief – Balancing Charges

Existing regime: claim capital allowances on specified intangible assets

No balancing charge where dispose of IP after a 5 year period

Can shelter up to 80% IP profits

Existing regime

For IP acquired from 14 October 2020, specified IP fully within scope of balancing charge rules – amendment to Section 288 TCA 1997

Relevant for companies that onshore IP and may wish to migrate it out of Ireland in the future

Future balancing charges

Film Tax Credit

Section 18 FB 2020

- Corporation tax credit for cost of production films
- Due to expire **31 December 2024**
- Extension of regional uplift by 1 year to **2023**

Claims made for period to:	Rate (where film is produced in specified region)
31 December 2021	37%
31 December 2022	35%
31 December 2023	34%
After 31 December 2023	32% - No regional uplift

Controlled Foreign Company Legislation

Section 19 FB 2020

Recap: CFC legislation imposes a tax charge based on undistributed income of CFCs where there are SPFs / KERTs in Ireland

01

Countries on EU's list of non-co-operative regions:

American Samoa
Anguilla
Barbados
Fiji
Guam
Palau
Panama
Samoa
Seychelles
Trinidad and Tobago
BVI
Vanuatu

02

CFC exemptions:

1. Effective tax rate exemption
2. Low profit margin exemption
3. Low accounting profit exemption

03

Finance Bill 2020 change:

These 3 exemptions are not applicable to CFCs resident in countries on this list

Relevant for accounting periods commencing on or after **1 January 2021**

04

Other exemptions?

Continue to apply if relevant

Anti-Hybrid Legislation

Section 20 FB 2020

Recap: ATAD change to prevent double deductions or deduction without inclusion

01

Clarification of definition of associated enterprises – where one entity is not consolidated under accounting rules

Section 835AA TCA 1997 amendments

02

Timing of test of association – entities that are not associated at time of payment and also at time a deduction arises are not included

03

Interaction with CFC regime – anti-hybrid rules do not apply where there is no economic mismatch outcome by virtue of the CFC regime

04

Tax exempt entities – clarification of rules where the participator is a tax-exempt entity

Carveout re Section 835AL TCA 1997

Knowledge Development Box

Section 21 FB 2020

Regime

- Effective **6.25%** tax rate on profits from qualifying assets (patents and copyrighted software) where R&D is carried out in Ireland

Deadline

- This relief has been due to expire for periods commencing before **1 January 2021**

Finance Bill Amendment

- Extension to periods commencing before **1 January 2023** (Section 769Q TCA 1997)

Transfer Pricing

Section 15 FB 2020

Quantum of consideration

Domestic exemption does not apply where the consideration payable between the related parties is:

“not greater than a nominal amount”

No guidance on what a nominal amount is and very subjective

Practical implications:

Subsidiary's free use of property owned by its parent

Domestic loan arrangements

Clarification the exemption can apply to “non-trading” loans between two Irish companies

“**Qualifying loan arrangement**” requires the borrower to be:

- a trading entity within charge to Irish tax,
- a rental company with profits within charge to Irish tax, or
- holding shares in a trading / rental company

Conditions pertaining to use of the funds

Amendments to bring domestic non-trading loan arrangements in certain circumstances into the exemption. Certain conditions must be satisfied.

Relevance and timing

~~Applicable to chargeable periods commencing on or after 1 January 2021~~

Effective date for legislation now subject to a commencement order date

Requirement to review intragroup transactions

CGT, CAT & Stamp Duty Measures



Revised Entrepreneur Relief

Section 23 FB 2020

- Proposed amendment to Entrepreneurs Relief under Section 597AA TCA 1997 for disposal of shares (**but not assets**) on or after **1 January 2021**
- The requirement for an individual to have owned a holding of at least **5%** of the ordinary share capital for a continuous period of **3 years** in the **5 years** immediately prior to the disposal is to change so that the shares can qualify for relief if they were held for a **continuous period of 3 years at any time** prior to disposal
- The widening of this condition will allow for equity expansion without fear of jeopardising the relief for individuals



Debts

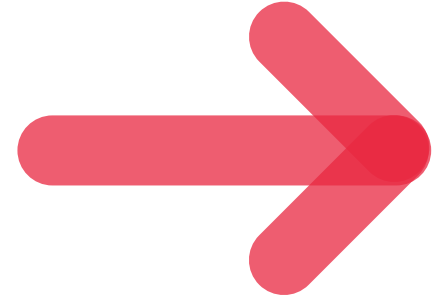
Section 22 FB 2020

- Section 541 TCA 1997 provides that a chargeable gain shall not accrue on the disposal of a debt by the original creditor. This treatment does not apply if the debt is a debt on security.
- Subsection (6) of section 541 ensures that gains arising from disposals of currencies held in a bank account, which are not in the currency of the State, are subject to CGT.
- The purpose of this amendment is to address the situation whereby the same foreign currency transferred between bank accounts held by the same person has the potential to crystallize a chargeable gain or an allowable loss without an accompanying economic capital gain or loss.
- The disposal is treated as made in exchange for consideration that gives rise to neither a gain nor loss
- For subsequent disposals of the foreign currency, the base cost will be its original base cost.
- Changes apply to disposal made on or after the date of the passing of the Act.



Exit Tax

Section 24 FB 2020

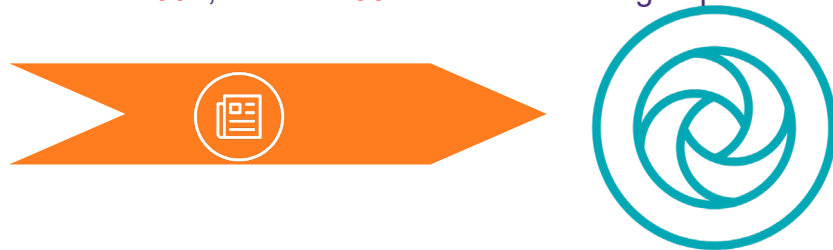


- Section 29 provides that a company can opt to pay exit tax charged under section 627 TCA 1997 in 6 equal instalments over 5 years, subject to the payment of interest in respect of the amount of exit tax which remains unpaid.
- The amendment, which is technical in nature, applies in respect of exit tax which remains unpaid on or after 14 October 2020. The amendment confirms the existing position under section 629 TCA 1997 whereby interest is calculated:
 - i. on the total amount of exit tax which is unpaid immediately before each instalment is paid; and
 - ii. at the rate of 0.0219% per day or part of a day from the specified date (i.e. 9 months after the date that the exit tax charge arose under corporation tax pay and file rules) to the date of payment. Interest so calculated becomes payable on each instalment date.

Delivery of Returns

Section 53 FB 2020

- Section 46 CATCA 2003 provides for the delivery of returns.
- The amendment requires the delivery of a return where a gift or inheritance comprises agricultural property or relevant business property where agricultural relief or business 11 relief, respectively, apply.
- A return must now be delivered in respect of such gifts or inheritances **irrespective** of whether the taxable value of such agricultural property or relevant business property, when aggregated with the taxable value of previous gifts or inheritances since **5 December 2001**, exceeds **80%** of the relevant group threshold.



Expression of doubt, Assessment of tax, Computation of Tax

Section 54 FB 2020



Section 46 CATCA 2003 – Expression of doubt



Section 49 CATCA 2003 – Assessment of tax



Section 50 CATCA 2003 – Computation of tax

- These Sections provide for a standard **4 year time period** during which Revenue Commissioners can, respectively, make enquiries, raise assessments and make repayments.
- The amendments provide for a fixed commencement date for this **4 year time period** of **31 December** in the year in which a return is received.
- An amendment also provides that the Revenue Commissioners may raise an assessment at any time where an event occurs after a return is received which gives rise to any facts or matters relevant to the assessment.

Shares deriving value from immovable property situated in the State

Section 46 FB 2020

- Section 31C SDCA 1999 imposes an additional charge on certain share transactions relating to land.
- A new subsection (7A) interacts with section 31D and prioritises section 31C over section 31D in certain circumstances. A transaction chargeable under section 31D that would, in the absence of this subsection, be chargeable under section 31C is now chargeable only under section 31C.



Farm Consolidation Relief

Section 47 FB 2020

- Section 81C SDCA 1999 provides relief for the consolidation of farm holdings.
- The relief is extended for a further **two years** from **31 December 2020** to **31 December 2022**. This aligns the end date for this relief with a similar capital gains tax relief – Section 604B TCA 1997 – relief for farm restructuring.
- The measure is subject to a Commencement Order.



Repayment of stamp duty where land used for residential development

Section 48 FB 2020

- Section 83D SDCA 1999 provides for a partial refund of stamp duty where land is developed for residential purposes
- Paragraph (a) extends the period allowed for the completion of construction from two years, i.e. 24 months, to 30 months
- Paragraph (c) extends the relief for a further year to construction operations commenced before 31 December 2022



Certain transfers, etc. not sales or mortgages, deemed to be conveyances

Section 49 FB 2020

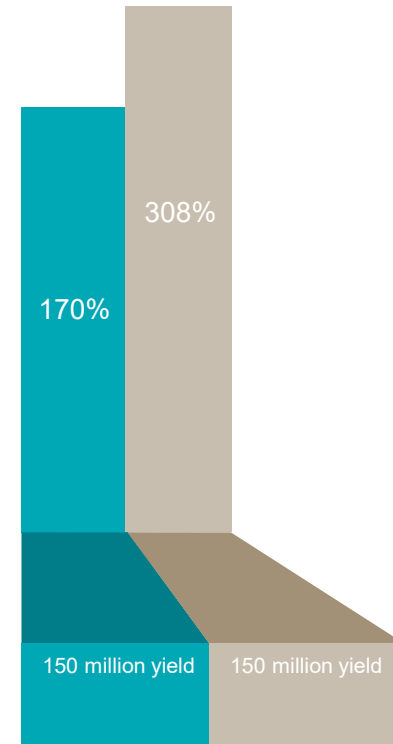
There are updates to insurance references to reflect the European Union (Insurance and Reinsurance) Regulations 2015 (S.I. No. 485 of 2015) (also referred to as the ‘Solvency II’ Regulations).

- The following definitions are updated:
 - 1 • “appropriate person” in section 103(1) SDCA 1999
 - 2 • “insurer” in sections 124B, 125 and 125B SDCA 1999, and
 - 3 • “assessable amount” in section 125(1) SDCA 1999

Further Levy on certain financial institutions

Section 50 FB 2020

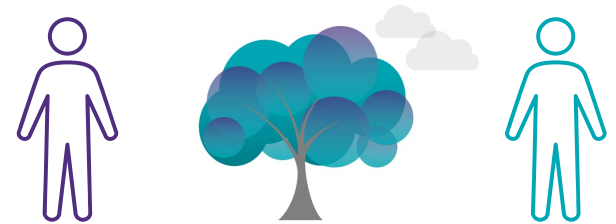
- There are changes to section 126AA SDCA 1999 in relation to a fixed annual levy of €150 million imposed on certain financial institutions.
- The levy is charged on the Deposit Interest Retention Tax (DIRT) paid by the relevant financial institutions in a series of base years.
- To maintain the €150 million yield for the year 2021, the levy is increased from its current rate of 170% to 308 % of the DIRT paid in the 2019 base year.



Schedule 1 SDCA 99

Section 51 FB 2020

- Amends Schedule 1 SDCA 1999 to extend the termination date for consanguinity relief (which applies to sales and transfers of farmland between certain blood relatives) from 31 December 2020 to 31 December 2023
- The rate of stamp duty where consanguinity relief applies is a fixed rate of 1 per cent of the consideration



Migration of shares and securities

Section 60 FB 2020

- **Inclusion of new sections 78A, 78B, 78C, 78D, 78E, 78F, 78H into the SDCA 1999**
- **Changes needed to facilitate to transition from Crest to Euroclear as a result of Brexit**
- **Movement from Euroclear UK & Ireland to Belgian Central Securities Depository (CSD)**
- **CSD must be based in an EU Member State**
- **Amendments seek to ensure that the migration is neutral and the stamp duty treatment is protected**
- **The meaning of shares for the purposes of the migration is clarified**

Offshore Funds

Section 60 FB 2020

- Section 743 TCA 1997 is to be amended by inserting a new subsection (1A).
- Subsection (1A) ensures that any rights in the nature of a co-ownership interest in a fungible pool of underlying shares and securities created under the arrangements for the indirect holding of interests in shares and securities in the Belgian CSD will not be regarded as a material interest in an offshore fund under section 743(1)(c).



VAT Measures



VAT provisions

Sections 35 and 36 FB 2020

Section 35 Interpretation

- Principal Act refers to VATCA 2010

Section 36

- Definition of immovable goods changed to bring it in line with EU legislation on immovable property. Irish definition refers to 'land'. The EU definition is as follows:
 - any specific part of the earth, on or below its surface, over which title and possession can be created;
 - any building or construction fixed to or in the ground above or below sea level which cannot be easily dismantled or moved;
 - any item that has been installed and makes up an integral part of a building or construction without which the building or construction is incomplete, such as doors, windows, roofs, staircases and lifts;
 - any item, equipment or machine permanently installed in a building or construction which cannot be moved without destroying or altering the building or construction.

VAT provisions

Section 37 FB 2020

Reduction of the 13.5% VAT rate to 9% for certain supplies
– applies from 1 November 2020 to 31 December 2021

- Restaurant and catering services
- Hot take away food and drink, including tea or coffee in drinkable form, where the zero-rating would otherwise apply
- Certain printed matter – brochures, leaflets and programmes, catalogues, including directories, and similar printed matter, maps, hydrographic and similar charts, printed music other than in book or booklet form
- Promotion of, and admission to shows, exhibitions, cultural facilities, open farms
- Hotel and holiday accommodation
- Hairdressing services

VAT provisions

Sections 38 and 39 FB 2020

- Section 38 – Flat-rate farmers addition to increase to **5.6%** on **1 January 2021**
- Section 39 – Revenue may require a non-established trader to appoint a tax representative who is established within the EU and who would be jointly and severally liable for the VAT payable by the non-established trader but not any penalties. The provision would apply there the trader is established in a country with which there is no agreement on mutual assistance.

It would not apply where a non-EU trader uses MOSS to account for VAT on supplies made within the EU.

This is important in the context of UK businesses seeking Irish VAT registrations.

VAT provisions

Section 40 FB 2020

- Introduces provisions from the VAT Directive to zero-rate supplies of goods and services to Member States for use by NATO forces.
- With effect from **1 July 2022** these provisions will also apply to supplies of goods and services to forces of EU member states which are undertaking a common defence effort under the Common Security and Defence Policy of the EU.
 - VAT exemption applies to imports of goods from outside the EU.
 - Zero-rating of domestic supplies of goods and services and of supplies made to forces in other EU member states.
 - Where the import exemption would not apply to the goods, and they are acquired from another member state, Irish VAT arises under the ICA provisions.

VAT provisions

Section 41 FB 2020

The amendment is to bring the Irish legislation in line with the VAT directive on the supply of restaurant and catering services.

- Deletion of **section 25(2)** which provides that the provision of food and drink in certain circumstances is a supply of services rather than a supply of goods.
- Changes to the zero-rating which applies to the sale of most food and drink in shops to reflect other changes to the supply of restaurant and catering services and the sale of hot food and drink for take-away.
- Also excluded from the zero-rating is the provision of catering services to patients of a hospital or nursing home or to students at their school. Such catering services are VAT exempt.

VAT provisions

Section 41 continued

Supply of restaurant or catering services is subject to VAT at 9% excluding the following:

- Supply of catering services to patients in hospital or nursing home or to students at their school – VAT exempt
- Alcohol – VAT at the standard rate
- Certain beverages such as drinking water and juices but excluding juices extracted from fruit – VAT at the standard rate

VAT provisions

Sections 42 and 43 FB 2020

- **Section 42** Zero-rating of PPE, thermometers, hand sanitiser and other equipment where supplied to the HSE, hospitals, GPs, nursing homes and residential care facilities for Covid-19 related care services in the period from **9 April 2020 to 31 October 2020** subject to ministerial order. Provision for extension where the EU prolongs the period of the zero-rating for such supplies.
- **Section 43** Changes to the definitions of lettings and accommodation in the guest or holiday sectors which are subject to the current **9%** rate.

VAT provisions

Section 44 FB 2020

Broadening the scope of zero-rating to include services to meet

- the direct needs of sea-going vessels exceeding 15 tons and aircraft used by transport undertakings operating for review chiefly on international routes, and
 - their cargoes
 - consequential amendment for intermediaries in obtaining the above services
- Removal of the zero-rating which applies to certain candles and night-lights with effect from **1 January 2022**.
 - Supply of certain sanitary products, i.e. menstrual caps, pants and sponges will be subject to VAT at **13.5%** with effect from **1 January 2021**.
 - Clarification that the **9%** rate which applies to admission to fairgrounds or amusement parks does not include any element of the fee which relates to other goods or services.

CRSS, Tax Appeals, Mandatory Disclosure Regime, & Miscellaneous Measures



Covid Restrictions Support Scheme

Section 11 FB 2020

- New section 484 TCA 1997 – Objectives and duties of the Minister for Finance



Covid-19

Provide the necessary stimulus to the economy so as to mitigate the effects, on the economy.

Objective 1



Brexit

If as of 1 Jan 2021 no agreement is in place between the EU and the UK, mitigate the effects on the economy which may arise

Objective 2



Duties of Minister

A review of the scheme, no less frequent than every 3 months from 13 Oct 2020

Assessment



Order

The Minister may make an order as deemed fit and necessary to amend the terms and conditions

Scope for changes

Covid Restrictions Support Scheme

Section 11 FB 2020

Criteria

- Required to close or restrict the public from accessing business premises – generally Level 3 or higher BUT can be lower levels
- File all tax returns on time, hold valid tax clearance, intention to resume business

Terms

- From **13 Oct 2020 – 31 March 2021**
- Details of taxpayers availing of scheme will be published on Revenue website

Conditions

- Turnover no more than **25%** of an amount equal to the average weekly turnover for same period in **2019**

Relief

- New section 485 TCA 1997
- Payments will equal **10%** of average weekly turnover up to **€20,000** and **5%** thereafter
- Maximum weekly payment of **€5,000**
- **Payment = Advance Credit for Trading Expenses = ACTE**
- **ACTE** will reduce the amount of expenditure deductible for tax purposes from the income of the business
- **A mechanism for dealing with the early lifting of restrictions resulting in an over claim**
- Potential for warehousing of excess amounts claimed to be repaid and interest to be charged on excess amounts after the end of the specified period – 31 March 2021
- Additional one week payment to assist with reopening costs after lifting of restrictions
- **An appeals procedure is now in place for aggrieved taxpayers. There is a time limit of 30 days of Revenue issuing notice of assessment to make an appeal to the Appeal Commissioners.**

How

- Register on ROS with details of business
- Make a claim for each claim period. The period is up to 3 weeks.
- If the period of restriction for a geographical region is extended, a new claim is required for each extension period.

Tax Appeal Process

Section 56 FB 2020

Basis for dismissing an appeal extended

Section 949AV extended to include failure to provide statement of case (section 949Q) or outline of argument (section 949S)

New Part 40A Chapter 8

New procedures (section 949AW) for dealing with a Commissioner vacating office before completion of appeal

- Hearing commenced but not completed
- Hearing completed but determination not made

New section 949AX

New procedures for Commission vacating office prior to completion and signing of case stated

- Determination made but steps to send case to High Court for stating and signing are outstanding

Mandatory Disclosure Regime Domestic

Section 57 FB 2020



Amendments to Part 33 Chapter 3 TCA 1997

Change to the definition of “relevant day” per section 817O TCA 1997

Impact is an amendment to the calculation of penalties for failure to comply with requirements

Mandatory Disclosure Regime EU “DAC6”

Section 57 FB 2020

Part 33 Chapter 3A

Scope	Duties and reporting	Specified arrangements
<p>Amendment to section 817RA to clarify the Acts within scope – definition of ‘the Acts’ inserted</p> <p>Substitution in section 817RB confirming VAT, customs, excise, social security contributions, certain fees and dues of a contractual nature are outside application of the regime</p>	<p>Confirmation of the exemption for intermediaries from the requirement to report in multiple jurisdictions (section 817RC)</p> <p>Amendments to section 817RD to clarify the reporting obligations of a relevant taxpayer</p>	<p>New section 817RI and Sch 34 detailing what is a specified arrangement and the classes of arrangements which are excluded from Hallmark A.3</p> <p>Hallmark A.3 – use of standardised documentation and structures</p>

Employment Wage Subsidy Scheme

Section 61 FB 2020

- [Financial Provisions \(COVID-19\) \(No. 2\) Act 2020 \(FP\(C \)\(No.2\) A\)](#) inserted new sections 28A and 28B into the [Emergency Measures in the Public Interest \(Covid-19\) Act 2020](#) (“Covid Act 20) to provide for the Employment Wage Subsidy Scheme (EWSS)
- The scheme as enacted excluded a proprietary director from participating
- The Minister for Finance subsequently announced that the scheme would apply to this class of individual where certain qualifying criteria is met
- Amendment to section 28B Covid Act 20 to include proprietary directors
- Deemed to have come into operation on 1 September 2020
- Legislative basis for enhanced EWSS rates provided for in legislative
- Date for payment of EWSS brought forward to as soon as practical after payroll notified to Revenue, generally within 2 working days
- The turnover test for qualifying employers on the EWSS has been amended such the benchmark period is rolled forward to 1 January 2021 to 30 June 2021 by reference to the same periods in 2019
- Inclusion of Appeals Procedure 30 days following notice of assessment

Debt Warehousing Scheme TWSS

Section 62 FB 2020

Temporary Wage Subsidy Scheme (TWSS) repayments can be included in the scheme

Employer refunds to Revenue of overpaid subsidy amounts

Amount of refund will be notified to the employer by way of the Statement of Account for PAYE to ROS Inbox

TWSS Reconciliation

Warehousing of the TWSS liabilities will mirror VAT and PAYE

Period 1 – warehouse period

Period 2 – 12 months 0% interest rate

Period 3 – 3% interest on o/s balance until paid

SME employers automatic

LCD and MED cases will have to apply

Warehousing

New section 28C Emergency Measures in the Public Interest (Covid-19) Act 2020

Repayment or refund of tax interest

Section 67 FB 2020

Person appeals an assessment under Part 40A TCA 1997 or applies to High Court for judicial review of a decision of the TAC

Pays the tax liability subject to the disputed assessment

Is entitled to a repayment or refund

- By agreement
- By determination of the TAC
- By a court

New section 960GA

Interest is not payable on the repayment/refund on the amount that is in excess of the amount of assessment to tax made by the person

Interest at 0.011% per day (4% p.a) payable on tax refunds in certain limited cases section 865A TCA 1997, section 105 VATCA2010, section 159B SDCA1999, section 57 CATCA2003

If taxpayer loses appeal interest up to 10% can be charged

Miscellaneous



Section 69 FB 2020 – amendment to section 1077E TCA 1997 to include an income tax month as defined in section 983 TCA 1997 in the definition of “period”



Section 70 FB 2020 – Sch 26A TCA 1997 requires that a charitable body must have exempt status for at least 2 years before a donation will qualify for tax relief. Where one or more charitable bodies, with the 2 year test satisfied, are amalgamated, then the new amalgamated body will be treated as satisfying the 2 year test.