

Tax E-News

Welcome to our latest tax newswire. We hope you enjoy reading this newsletter and find it useful. Contact us if you wish to discuss any issues further.

February 2019



Finance Act 2018 - Business Tax

Start-up Capital Incentive (SCI):

The Act introduces a new tax relief for qualifying persons who invest in early stage start-up ventures. The maximum amount, which a qualifying company may raise, is €500,000. The tax relief will run to the end of 2021.

Employment Investment Incentive (EII) & Start-up Relief for Entrepreneurs (SURE):

The Act aims to simplify the legislation provisions of the income tax reliefs for investment in corporate trades. The amendments have introduced a range of changes to the process of the Employment Investment Incentive (EII) and the Start-up Relief for Entrepreneurs (SURE).

The most significant change being the moved away from the current application process to a system whereby companies will now self-certify that they have met the conditions. It amends the trigger points in relation to when claims can be made, tying all claims to a requirement to have spent 30% of the money on a qualifying purpose rather than the various trigger points which currently apply under existing provisions. EII and SURE reliefs will be able to run until the end of 2021.

Film credit:

The Act confirms the Budget Day announcement of the extension of film relief to 2024. The Act also provides for an additional tax credit for film production of 5%. The credit is available where the production of a film takes place in a designated region in Ireland. The full credit will be available up to the end of 2020, after which it will taper out.

Start-up Relief for Companies:

The Act extends the corporation tax relief for qualifying start-up companies, who commence their trade before the start of 2022.

Capital Allowances:

Gas propelled vehicles and refuelling equipment: The Act confirms the Budget Day announcement of the introduction of a capital allowances scheme for gas propelled vehicles and refuelling equipment. Business will now be able to receive 100% capital allowance in year 1 of the equipment.

Intellectual Property:

The Act has updated the rules for capital allowances on Intellectual Property. The update provides additional clarity on income arising when IP is acquired prior to 11 October 2017 and when IP is acquired from 11 October 2017 onwards. The updates now require that the income received from the two different periods be treated as two separate income streams when calculating capital allowances.

Childcare Services & Fitness Centre to Employees:

The Act introduces a new capital allowance scheme for equipment and buildings used by employers for the purposes of providing childcare services or a fitness centre to their employees. Businesses will now be able to receive 100% capital allowance in year 1, for equipment and over seven years for buildings.

Anti-avoidance - Close Companies:

An amendment was made to the close company legislation that deals with loans advanced to participators/shareholders. Where a company advances a loan to a participator/shareholder an amount equal to 20% of the re-grossed (at the standard rate) advance becomes payable to Revenue. Finance Act 2018 has sought to extend this anti-avoidance measure to cover arrangements the main purpose or one of the main purposes of which is to avoid the requirement to withhold this tax. This amendment is effective for arrangements entered into on or after 18 October 2018.

Capital Acquisitions Tax - Group thresholds:

The Act also gives effect to the Budget announcement to increase the Group A tax-free threshold from €310,000 to €320,000. This is the group threshold that applies primarily to gifts and inheritances from parents to their children. The increased threshold applies to gifts and inheritances taken on or after 10 October 2018 and marks a welcome advance toward the Programme for Government's commitment to incrementally increase this threshold to €500,000 over the lifetime of the Government.

KEY FILING DATES - FEBRUARY 2019

TAX HEAD	RETURN	PERIOD	PAYMENT & FILING DATE
Dividend Withholding Tax	DWT	January 2019	14th February 2019
Professional Services Withholding Tax (PSWT)	F30	January 2019	14th February 2019
Form P35	P35 Annual Return	January - December 2018	23rd February 2019
PAYE/PRSI/USC/LPT	Monthly Deductions	January 2019	23rd February 2019
Corporation Tax	Preliminary tax	Accounting periods ending between 1st - 31st March 2019	23rd February 2019
Corporation Tax	Corporation Tax Return (Form CT1)	Accounting periods ending between 1st - 31st May 2018	23rd February 2019
Relevant Contracts Tax (RCT)	RCT Monthly Return	January 2019	23rd February 2019
Corporation Tax	Returns of Third Party Information (Form 46G)	Accounting periods ending between 1st – 31st May 2018	28th February 2019
Corporation Tax	Close companies with undistributed profits	Accounting periods ending between 1st – 31st May 2017	28th February 2019

Please contact a member of our team if you would like to discuss any of the issues raised.

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