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*“We expect this autumn to be particularly busy as clients try to normalise activities and catch up,” says Michael Byrne. “The initial shock of lockdown postponed many of our clients’ business and tax planning activities.”*

**WAGE SUBSIDIES** Some of our clients may offer to help their employees with liabilities. This of course will generate further payroll tax liabilities for the employers. Perhaps on a one-off basis, Revenue may permit employers to pay these liabilities on behalf of their employees but not subject to processing through their payroll. Regardless, early clarity from Revenue would be welcome.

As the TWSS ends on August 31, employers can calculate possible tax liabilities employees may face, thus avoiding the shock factor at the end of 2020. Revenue will likely confirm any liabilities in early 2021 and the hope is that this will be spread out over a number of years by reducing tax credits. However, this will reduce future net pay, which is not ideal.



Most of our SME clients suffered a minimum 25% reduction for Q2 2020 and so qualified for the TWSS. There has been an initial upswing in demand for many businesses after lockdown, so we would expect a sizeable

reduction in uptake for the new wage subsidy scheme.

**SELF-EMPLOYED TAX RELIEF** This involves a simple amendment to the 2019 year return by making an interim loss claim and following up through Revenue’s My Enquiries system. For 2019 returns not yet filed, discuss with your tax adviser what to include on your return. The maximum claim is €25,000, which equates to tax relief of €10,000. Immediate refunds should be possible where preliminary tax paid has exceeded final liabilities.

**BUDGET 2021** We would like to see:

- A temporary VAT rate reduction from 13.5% to a suggested 6% for tourism and hospitality sectors. An increase in the rate could be phased back in as the sector recovers.
- The extension of carry back of loss relief to more than one year.
- Reduced employer PRSI for companies taking on new people (not on the TWSS or EWSS).
- Enhanced tax credit for working from home to encourage remote working.
- A reduced Capital Gains Tax rate to encourage transactions in property and other assets to stimulate activity.

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