



July Stimulus Package - the key details



On 23 July, the coalition government announced their long-awaited stimulus package, which aims to protect the Irish economy and support businesses across all sectors. The package, estimated at €7.4bn, contains a mix of measures that include tax cuts, expenditure and support credits.

Job retention and creation is a key focus of the package, with the government looking to alleviate cash flow difficulties for business through extending the wage subsidy scheme, rates waivers and access to more affordable and longer-term debt funding.

The consumer will also benefit from the package, with tax rebates available for those holidaying in Ireland, an increase in the first-time buyers help-to-buy-scheme and a

drop in the standard VAT rate from 23% to 21% for a six-month period.

This document provides an overview of the key elements of the government announcement. As further details of the support packages emerge, we will provide updates via our [COVID-19 Resource Hub](#).

The COVID-19 pandemic has resulted in unprecedented change for businesses. Managing the crisis requires leadership, vision and foresight. At Crowe we understand the obstacles, the challenges and the risks and are ideally placed to help you adapt and create lasting value for tomorrow. For further information on how Crowe can support your business, please [contact me](#) or your usual Crowe advisor.

Naoise Cosgrove
Managing Partner

Employment Wage Subsidy Scheme

- The Employment Wage Support Scheme will replace the Temporary Wage Subsidy Scheme from 1 September and will run to April 2021
- Businesses that have seen a 30% reduction in turnover will receive a flat rate of €203 per week per employee
- New and seasonal employees will be eligible for the scheme
- New companies operating in sectors adversely impacted by COVID-19 will qualify for the payment

Social Welfare

- Pandemic Unemployment Payment extended until April next year but will be reduced and split into three separate tiers from 17 September. The new rates are:
 - €203 for those who earned less than €200 before the pandemic
 - €250 for those who earned between €200 and €300
 - €300 for those who earned over €300
- From 17 September the scheme will be closed to new applicants
- All three rates will be tapered back to the standard jobseeker's payment of €203 on 1 April 2021

VAT

- Standard rate of VAT to be cut from 23% to 21% for six months from September 2020 to February 2021

Income Tax & Other Tax

- A new income tax relief will be made available to self-employed individuals who incur losses in 2020 as a result of COVID-19, but were profitable in 2019
- Interest rates on agreed repayments of all tax debt (where agreement reached prior to 30 September 2020) will be reduced to 3%



Hotel, Tourism & Leisure

- “Stay and Spend” tax rebate worth up to €125 per person (20% on max spend of €625) to run from October 2020 to April 2021
- €10m Restart Fund will be made available to tourism sector
- €10m pilot Performance Support Scheme for culture sector to assist with event planning

Restart Grant

- Maximum grant available increasing from €10k to €25k and minimum grant available increasing to €4k
- Grant available to additional businesses not previously included in scheme, such as B&Bs, charity shops and rateable sports businesses
- Business that have already applied for the grant may apply for a top-up
- Scheme to include businesses with 250 or fewer employees (previously 50 employees or fewer)

Credit Guarantee Scheme

- Revised Credit Guarantee Scheme to be introduced which will provide up to €2bn to Irish businesses

- Loans from €10k to €1m
- Max term up to six years
- Interest rates to be in region of 3% - 4%
- Capital and interest repayment moratorium of up to 12 months
- Government to act as guarantor for 80% of loans drawn down

SBCI and Micro Finance Ireland Loans

- Measures to be put in place to reduce interest rates on lending to micro and small businesses to 0% for the first year of the loan

Commercial Rates

- With limited exceptions, all businesses will be granted a waiver of commercial rates for the six months to 30 September 2020

First-Time Buyers Help-To-Buy Scheme

- Scheme for first-time house buyers expanded to 10% (maximum of €30k) of the price of a new build (up from 5% or €20k)
- Increase available until 31 December 2020

Future Growth Loan Scheme

- Fund to be expanded from €200m to €500m
- Aimed at helping businesses with up to 499 employees to invest longer-term at competitive rates

Higher Education

- 160m funding package for third-level sector for costs associated with COVID-19
- Employers to be paid €3k for every apprentice hired and retained:
 - €2k in the first year
 - €1k in the second year if apprentice is retained
- €15m fund to be put in place to help students overcome the challenge of remote learning

Recruitment Subsidy

- Subsidies of up to €7.5k over two years to be available for employers hiring someone under the age of 30 who are on the Live Register or receiving the Pandemic Unemployment Payment

Infrastructure & Community

- €75m fund made available for minor works on primary and secondary schools
- €113m fund established for investment in train and bus networks

- €60m fund for refurbishment of vacant housing and investment in Irish water infrastructure
- €40m will be made available for infrastructure in heritage, arts, tourism and the Gaeltacht
- €24m fund will be available for An Garda Síochána, the Courts Service and the Irish Prison Service
- €10m will be made available to the fishing industry and on-farm renewable energy
- €100m fund for Energy Efficiency National Retrofit Programme
- €10m for town and village renewal

Cycle to Work Scheme

- Increased allowable expenditure under the scheme from €1k to €1.5k for e-bikes and €1.25k for other bicycles

Brexit

- €20m Brexit fund to help SMEs prepare for new customs arrangements

Online Retailing and Trading

- Additional €5.5m made available to businesses through Online Retail Scheme via Enterprise Ireland
- €20m in additional funding to be made available to businesses through Online Trading Voucher Scheme via Local Enterprise Offices

Sustaining Enterprise Fund

- Expansion of the €180m scheme to include grant support to viable businesses, in addition to equity and repayable loans

COVID Life Sciences Products Scheme

- €25m investment in scheme to aid research, development and production of medicinal products that are used in the fight against COVID-19

Green Economy

- €10m to be made available to support businesses engaging in green research, development and innovation, capital investment and capacity building

Seed and Venture Capital

- Additional funding of €10m to top up existing fund of €55m

Foreign Direct Investment

- €10m will be made available to support IDA promotional and marketing initiatives to attract job-rich FDI projects

Contact

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About Us

Established in 1941, Crowe is a leading accountancy and business advisory firm in Ireland. Throughout our history, we have developed an unrivalled understanding of the Irish business environment and built a national reputation in auditing, tax and business consultancy.

We work with a variety of clients across commercial and public sectors. Our services include Audit & Assurance, Tax, Corporate Insolvency & Recovery, Corporate Finance, Consultancy, and Outsourcing.

We are also independent members of the eighth-largest accountancy network in the world, with colleagues in over 750 offices across 130 countries. Through this global reach we are able to offer clients a seamless service when trading internationally.

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