

## **TALC Sub-committee on Simplification of Business Supports for SMEs**

Meeting Date: April 10<sup>th</sup>, 2024  
Location: Revenue Offices, Bishop's Square  
Time: 10 am

### **Minutes**

#### **Item 1: Minutes of previous meeting and matters arising**

- Minutes of the meeting of March 13<sup>th</sup> were agreed.
- Minutes will be published at <https://www.revenue.ie/en/tax-professionals/talc/index.aspx>

#### **Item 2: Insights from Department of Enterprise Trade & Employment (DETE) and Enterprise Ireland (EI)**

Donal Leahy from Enterprise Ireland and Felix O'Kane from DETE spoke to the group on feedback received by client companies benefitting from State supports whether through direct grant aid or tax expenditure.

EI has identified that there are three general areas of concern for SMEs in accessing State supports. These are:

- Lack of awareness of incentives
- Uncertainty regarding meeting the qualification criteria for each of the various reliefs or supports; and
- Concerns regarding the risk of subsequent claw back and/or penalty for making invalid claims.

The meeting noted that while both IDA/EI support for Research & Development(R&D) activities and the R&D Corporation Tax credit both use the same broad definition of R&D activity, as set out in the OECD's "Frascati" manual, there are important differences between qualifying activities for grant purposes and qualifying expenditure for the purposes of s.766 TCA. EI and IDA are currently engaged on work to map these distinctions and they intend to engage with the Revenue led R&D network in this exercise. The meeting agreed that clearly setting out these distinctions would be of value to claimant companies.

Practitioners noted that usefulness of the current Revenue practice of accepting the award of IDA/EI/Horizon 2020 as evidence of qualifying R&D activity in claims under €50k per annum but requested that Revenue consider raising this threshold.

EI also expressed a willingness to explore the option of providing advance certification of qualifying R&D activity. However, it was noted that this would require significant resourcing.

### **Item 3: Consideration of CGT Retirement Relief & CAT Retirement Relief**

Issues raised in respect of these reliefs primarily concerned policy matters, with a particular focus on the differing valuation rules for the respective reliefs. Practitioners noted that these were challenging to explain to business stakeholders. They also noted the lack of awareness by the business community of the potential impact of corporate structures on access to reliefs in ways that had not been anticipated prior to retirement/succession.

It was suggested that the Revenue website and associated manuals might be improved to ease the understanding of these reliefs by non-tax professionals.

Additional comments were raised on the IT38 form and advance payments and delays in obtaining a PPSN for a non-resident disponer.

**Item 4: AOB** - none

**Item 5: Next Meeting**

Next meeting scheduled for April 10<sup>th</sup> at 10am in Bishop's Square.

**Attendance**

**Revenue:** Brian Boyle (Chair), Emma Brennan (Secretary), Martina Mulligan, Sarah Collins

**CCAB – I:** Grainne McDermott, Maura Ginty, Beryl Power

**ITI:** Anne Gunnell, Stephen Gahan

**Law Society:** Caolán Doyle,

**SFA:** David Broderick Catherine McGovern

**EI:** Donal Leahy

**DETE:** Felix O'Kane

**Apologies:** Davena Lyons