

# Employment Grants and Recruitment Subsidies

## Part 04-01-10

This document should be read in conjunction with Tax and Duty Manual [Part 07-03-01](#)

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## Introduction

This document outlines the treatment of grants and subsidies received by traders and employers. It also contains links to other information sources on this topic.

### 1. General

The tax treatment of grants which are received by traders depends on the nature of the grant involved. Where a grant is of a capital nature, it is not taken into account when arriving at trading profits it does, however, reduce the amount of expenditure which qualifies for capital allowances. Allowable costs for Capital Gains Tax purposes are also reduced by the amount of capital grants.

Grants of a revenue nature should be included when calculating trading profits. Where a payment is received which increases a trader's income or reduces the trader's revenue expenditure it is normally of a revenue nature and accordingly is liable to Income Tax or Corporation Tax as appropriate.<sup>1</sup>

#### **Employment Grants and Recruitment Subsidies**

These payments are of a revenue nature and accordingly are liable to Income or Corporation Tax **unless** specifically exempted by tax legislation.

A summary of the sections in the Finance Acts which provide exemption and full details of the payments exempted by each section can be found in the Tax and Duty Manuals contained in [Part 07](#).

#### **JobsPlus**

An employment incentive scheme called JobsPlus commenced on 1 July 2013. The JobsPlus Scheme is administered by the [Department of Social Protection](#) and consists of direct payments to employers who take on individuals who have been long-term unemployed. Payments are made monthly in arrears over a 2-year period. The scheme is available to all employers in the private, commercial semi-state, community, not-for-profit and voluntary sectors. It is not open to public service employers.

Payments made to an employer under the JobsPlus Scheme are disregarded for the purposes of the Tax Acts, they are therefore exempt from tax and PRSI.

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<sup>1</sup> Extract from Tax and Duty Manual [Part 07-03-01](#)