

# JULY JOBS STIMULUS PLAN

How you can get in touch for assistance in accessing these supports;

The team at Gilroy Gannon comprises over 50 staff with a wealth of experience in finance, business, tax and technology consultancy. Don't delay in seeking out support in these challenging times, contact any member of our team for more information.

## Our Team



**Joe Gannon**  
PARTNER

[joe.gannon@gilroygannon.com](mailto:joe.gannon@gilroygannon.com)



**Mel McKeown**  
PARTNER

[mel.mckeown@gilroygannon.com](mailto:mel.mckeown@gilroygannon.com)



**Sinéad McHugh**  
PARTNER

[sinead.mchugh@gilroygannon.com](mailto:sinead.mchugh@gilroygannon.com)



**Desi Foley**  
TAX DIRECTOR

[desi.foley@gilroygannon.com](mailto:desi.foley@gilroygannon.com)



**Laura Cassidy**  
SENIOR TAX MANAGER

[laura.cassidy@gilroygannon.com](mailto:laura.cassidy@gilroygannon.com)



**Michael Keane**  
BUS. ADVISORY DIRECTOR

[michael.keane@gilroygannon.com](mailto:michael.keane@gilroygannon.com)

**Cathal O'Donnell**  
PARTNER

[cathal.odonnell@gilroygannon.com](mailto:cathal.odonnell@gilroygannon.com)

**Paul Horan**  
PARTNER

[paul.horan@gilroygannon.com](mailto:paul.horan@gilroygannon.com)

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## Overview of Tax Measures

On 23 July 2020, the Irish government announced the July Jobs Stimulus Plan, a €7.4bn package of measures designed to stimulate a jobs-led recovery and build economic confidence. This Plan is the next stage in Ireland's response to the COVID-19 crisis.

The following key tax measures were included within the Stimulus Plan:

**1. Reduction in the standard VAT rate**

The standard rate of VAT (currently 23%) will be reduced to 21% from 1 September 2020 for a period of 6 months.

**2. Employment Wage Subsidy Scheme ("EWSS")**

EWSS is an economy-wide enterprise support that focuses primarily on business eligibility. The scheme provides a flat-rate subsidy to qualifying employers based on the numbers of eligible employees on the employer's payroll. The EWSS will replace the [Temporary Wage Subsidy Scheme \(TWSS\)](#) from **1 September 2020** and is expected to continue until 31 March 2021.

**3. Temporary acceleration of Corporation Tax loss relief**

There will be a temporary acceleration of corporation tax loss relief for accounting periods affected by the Covid-19 pandemic and related restrictions. This measure allows companies to estimate their trading losses for certain accounting periods, and to carry back up to 50% of those losses against chargeable profits of the preceding accounting period on an accelerated basis.

**4. Temporary Income Tax relief for self-employed individuals carrying on a trade or profession:**

This measure provides:

- Self-employed individuals can claim to have certain 2020 losses and certain unused capital allowances carried back and deducted from their 2019 profits, reducing the income tax payable on those profits.
- Self-employed individuals can make interim claims based on the estimated amount of relief available to them.
- Farmers can step out of income averaging for the tax year 2020, notwithstanding that the farmer may have stepped out of income averaging in one of the four preceding tax years.

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**5. Debt warehousing and reduced rate of interest for outstanding “non-COVID-19” debts**

“Debt Warehousing” is an arrangement whereby VAT and PAYE (Employer) liabilities incurred during the period of restricted trading caused by COVID-19 will be 'parked' on an interest-free basis, subject to certain conditions.

Also, a reduced interest rate of 3% per annum (as opposed to 8% and 10%) will apply to tax debts not associated with COVID-19, provided the taxpayers concerned enter into a phased payment agreement with Revenue before 30 September 2020.

**6. Enhanced Help to Buy (“HTB”) scheme**

A temporary enhancement to the existing HTB scheme for the remainder of 2020 was announced in the July Stimulus plan. The enhanced HTB relief provides that where applicants satisfy certain conditions, increased relief is available up to a maximum of €30,000.

If you require further detail on any of the above measures, please click on the link in the above headings or contact Desi Foley, Tax Director ([desi.foley@gilroygannon.com](mailto:desi.foley@gilroygannon.com)), Laura Cassidy, Senior Tax Manager ([laura.cassidy@gilroygannon.com](mailto:laura.cassidy@gilroygannon.com)) or your usual Gilroy Gannon contact.