

# Finance (Covid-19 and Miscellaneous Provisions) Bill 2022

Bill No. 26 of 2022

Dr Sinéad Ashe, Senior Parliamentary Researcher (Economics)

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## Abstract

The purpose of the [Finance \(Covid-19 and Miscellaneous Provisions\) Bill 2022](#) is to give legislative effect to the changes in the Covid-19 support schemes announced by the Government in response to the public health restrictions introduced from 21 December 2021. This includes changes to, and the extension of, the Employment Wage Subsidy Scheme, the Covid Restrictions Support Scheme, the tax debt warehousing scheme, the waiver of excise duty for Special Exemption Orders, and provides that the Pandemic Special Recognition Payment for healthcare workers will not be subject to tax. It also provides for a small number of other changes in taxation and financial areas.



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## Summary

- The [Finance \(Covid-19 and Miscellaneous Provisions\) Bill](#) was published on 04 March 2022.
- It primarily relates to new and existing Covid-19 support measures for businesses and employers, but also includes miscellaneous provisions relating to the partial repayment of stamp duty on cost rental dwellings, the tax treatment of payments made under the proposed voluntary Brexit Whitefish Fleet Decommission Scheme and the funding of certain Central Bank Registers.
- The Bill, if enacted, would provide for the following<sup>1</sup>:
  - **Employment Wage Subsidy Scheme (EWSS):** The re-opening of the Employment Wage Subsidy Scheme for certain businesses who would otherwise not be eligible and that such businesses can continue to receive support until the scheme ends. It also provides that businesses availing of the EWSS that were directly impacted by the public health regulations in December 2021 will receive additional support under the scheme for a further month (until 31 May 2022).
  - **Covid Restrictions Support Scheme (CRSS):** The turnover reduction criteria for the Covid Restrictions Support Scheme will be increased from 25% of 2019 turnover to no more than 40% of 2019 turnover. It also proposes that it will be available to newer businesses established over the 13 October 2020 to 26 July 2021 period. Finally, it proposes that certain charities and sporting bodies are eligible to apply for the CRSS for the most recent period of restrictions (December 2021 to January 2022), provided they meet certain eligibility criteria.
  - **Special Exemption Orders:** The application of the waiver of excise duty for Special Exemption Orders for late licences from 26 January 2022 until 30 April 2022.
  - **Tax Debt Warehousing:** To provide the legislative underpinning for the Government decision that the period for Tax Debt Warehousing can be extended by four months to 30 April 2022 for all taxpayers eligible for the Covid-19 support schemes.
  - **Pandemic Special Recognition Payment:** Provides that the Covid-19 Pandemic Special Recognition Payment for healthcare workers will not be subject to tax.
  - **Stamp duty on cost rental dwellings:** Provides for a partial repayment of stamp duty charged at the higher 10% rate for residential dwellings designated as 'cost rental dwellings' subsequent to being acquired.
  - **Tax treatment of payments made under the proposed voluntary Brexit Whitefish Fleet Decommissioning Scheme:** Provides for the tax treatment of certain payments made under this Scheme.

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<sup>1</sup> Department of Finance, Press Release, [Minister Donohue publishes Finance \(Covid-19 and Miscellaneous Provisions\) Bill 2022](#). Published 04 March 2022.

- **Central Bank Registers:** Makes provision for the funding of certain Central Bank Registers.
- This Bill was not subject to pre-legislative scrutiny (PLS) and no General Scheme was published.
- No Regulatory Impact Assessment (RIA) was published in respect of this Bill.
- The L&RS has also published a [Bill Briefing page](#) on this Bill [internal access only].

## Introduction

The [Finance \(Covid-19 and Miscellaneous Provisions\) Bill 2022](#) was published on 04 March 2022. The Bill primarily relates to new and existing Covid-19 support measures for businesses and employers, but also includes miscellaneous provisions relating to the partial repayment of stamp duty on cost rental dwellings, the tax treatment of payments made under the proposed voluntary Brexit Whitefish Fleet Decommission Scheme and the funding of certain Central Bank Registers.

A summary of each of the main provisions of the Bill is provided below.

### 1. Employment Wage Subsidy Scheme (EWSS)

As detailed in the [Department of Finance press release](#) published on 04 March 2022, the Bill proposes to provide for the reopening of EWSS for certain businesses who would otherwise not be eligible and that such businesses can continue to be supported until the scheme expires. Provided they meet certain conditions, employers who previously availed of the EWSS but who were no longer eligible could re-enter the scheme and obtain support from 01 January 2022 until the scheme finishes.

In addition, it also allows for businesses availing of EWSS that were directly impacted by the public health regulations introduced in December 2021 to receive additional support under the scheme for a further month. Businesses that were impacted by these restrictions continued to receive the enhanced rates of subsidy for February 2022 and the graduated step-down in subsidy rates will be delayed by one month with these firms expected to continue receiving support until 31 May 2022.

#### Background to the EWSS

The [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 and gross pay to employees<sup>2</sup>.

It was introduced on 01 July 2020 under the [July Jobs Stimulus Package](#) and replaced the Temporary Wage Subsidy Scheme (TWSS) from 01 September 2020. The TWSS was in place from 26 March 2020 to 31 August 2020. The TWSS and EWSS ran in parallel from 01 July 2020 through 31 August 2020. Under the EWSS scheme, eligible employers whose turnover has fallen by at least 30% can get a flat-rate subsidy per week based on the number of qualifying employees on the payroll<sup>3</sup>.

A [Department of Finance press release](#) published on 21 January 2021 states:

“As part of Budget 2022, the government set out the future direction of EWSS including its graduated exit strategy. These arrangements were subsequently enhanced in response to the public health situation, namely the extension of the enhanced rates of subsidy for a

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<sup>2</sup> The L&RS published a Bill Digest in respect of the Finance (Covid-19 and Miscellaneous Provisions) Bill 2021 in June which may be of interest to Members. It is available [here](#).

<sup>3</sup> For further information on the operation of the EWSS, including details of proposed changes and the rates of pay, see the report by Revenue, 'Main guidelines on the operation of the Employment Wage Subsidy Scheme', updated on 03 February 2022. Available [here](#).

further two months (across December 2021 and January 2022) and the reopening of the scheme for certain businesses as announced on 9 and 21 December 2021 respectively.

The government agreed today that businesses availing of EWSS that were directly impacted by the public health regulations introduced last December, will receive additional support under the scheme for a further month to assist these businesses as they fully reopen and emerge from the restrictions.

Such businesses will continue to receive the enhanced rates of subsidy for the month of February and the graduated step-down in subsidy rates, as previously announced, will be delayed by one month with such firms continuing to receive support under the scheme until 31 May 2022.

From 1 February 2022, most businesses, apart from those that were directly impacted by the public health restrictions of last December, will move to the reduced rate of support of €203 per employee, followed by the flat rate subsidy of €100 per employee for the final two months the scheme of March and April 2022.”

According to [Revenue’s preliminary statistics](#), as of 03 March 2022, there are 22,500 employers currently registered with Revenue for EWSS. Table 1 shows the payments processed by Revenue from July/August 2020 to March 2022 (to date). Overall, Revenue’s preliminary statistics show that EWSS payments have amounted to over €7.5 billion to date and comprise direct subsidy payments of over €6.5 billion and PRSI foregone of over €1 billion to 51,900 employers in respect of 719,900 employees.

**Table 1: EWSS Payments Processed by Revenue**

Claim Month	EWSS Payments	PRSI Forgone**	Employers	Employees
July/August 2020*	€34.7m	€7.3m	6,500	31,100
September	€256m	€60.9m	33,600	343,200
October	€353.9m	€64.5m	35,700	341,100
November	€334.7m	€51.6m	30,900	266,800
December	€406.9m	€62.3m	32,600	317,400
January 2021	€397.7m	€60.8m	36,700	344,400
February	€381.2m	€58.9m	35,900	304,000
March	€391m	€60.6m	35,600	301,800
April	€408.5m	€63.1m	34,700	297,100
May	€363m	€55.5m	35,200	301,200
June	€413.9m	€62.1m	34,600	344,700
July	€451.2m	€65.7m	31,900	342,525
August	€389m	€56.8m	28,800	321,200
September	€391.5m	€57.3m	27,600	312,400

Claim Month	EWSS Payments	PRSI Forgone**	Employers	Employees
October	€364.1m	€52.8m	26,100	291,900
November	€336.2m	€49.2m	24,800	283,900
December	€375m	€55.1m	24,100	280,700
January 2022	€305.9m	€44.4m	23,000	266,000
February (provisional)	€213.7m	€42.8m	18,300	219,600
March (to date)	€7.2m	€0.0m	3,600	45,900
<b>All months</b>	<b>€6,575m</b>	<b>€1,032m</b>	<b>51,900</b>	<b>719,900</b>

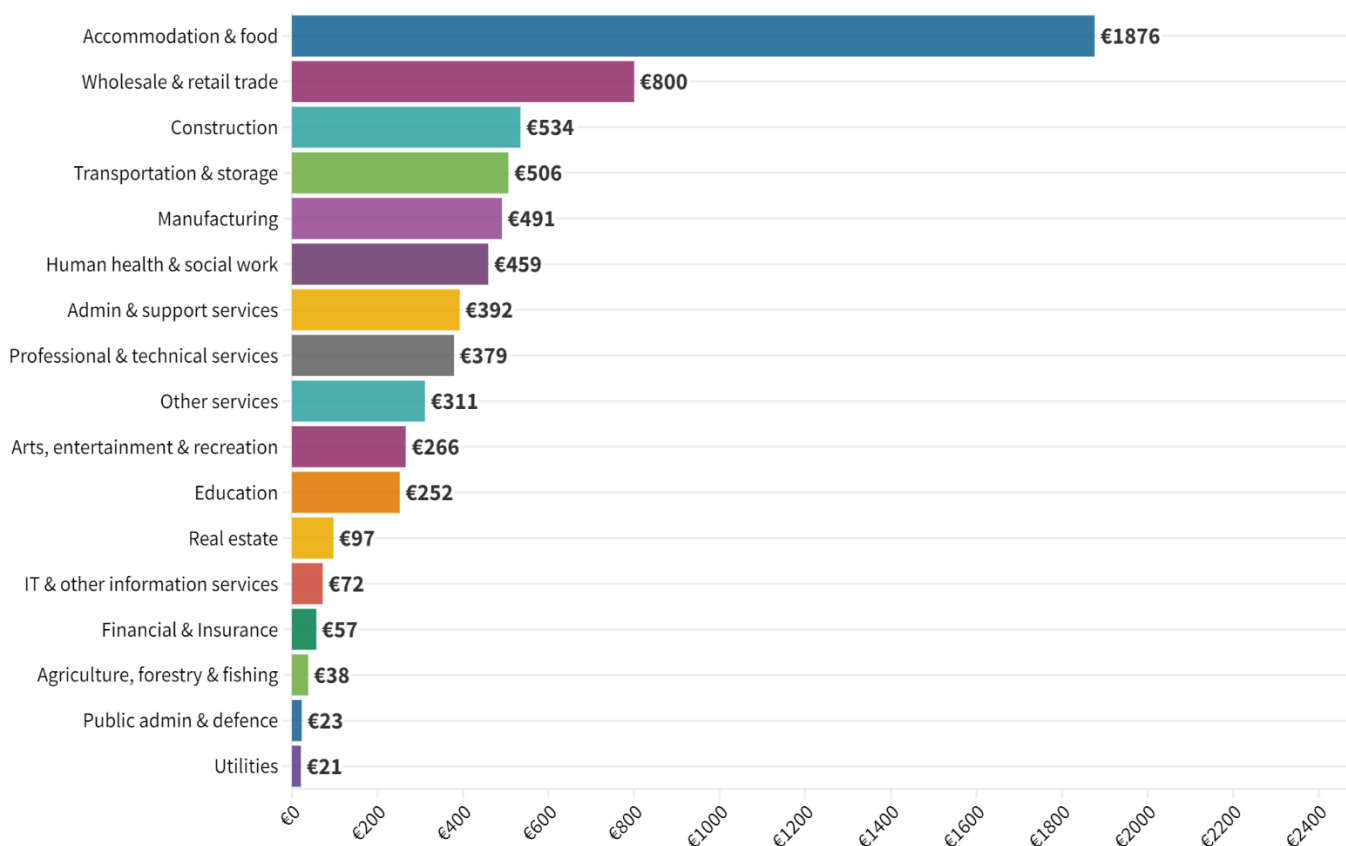
\*EWSS claims for July/August 2020 in respect of newly or seasonally hired employees who were ineligible for the TWSS;

\*\*Employer PRSE forgone due to the reduced rate of PRSI on wages paid which are eligible for EWSS

Source: [Revenue Preliminary Statistics, Payments process by Revenue](#) as at 03 March 2022.

Figure 1 shows the subsidy payments by sector for all EWSS months including provisional figures for February and March 2022 to date. Accommodation and food services accounts for almost 30% of subsidy payments made (€1,876 million), followed by the wholesale & retail trade (€800 million, or 12% of the total) and the construction sector (€534 million, or 8% of the total). Finally, Revenue's [preliminary statistics by county](#) show that Dublin accounted for the highest total EWSS payment amount to date (€2,712 million), followed by Cork (€570 million), Galway (€356 million) and Kildare (€293 million).

**Figure 1: Subsidy payments by sector for all EWSS months (in €m)**



Source: [Revenue Preliminary Statistics](#) as at 03 March 2022



## 2. Covid Restrictions Support Scheme (CRSS)

As provided in the [explanatory memorandum](#) accompanying the Bill, it is proposed that the Covid Restrictions Support Scheme (CRSS) is extended to businesses meeting specific criteria from 20 December 2021. For a business making a claim for the scheme from 20 December 2021:

- The turnover threshold is increased from 25% of 2019 turnover to 40% of 2019 turnover.
- A business established during the period 13 October 2020 to 26 July 2021 may access supports under the scheme as a category B new business (where eligibility criteria are met). Turnover for these businesses will be based on their average weekly turnover from the date of commencement up to 01 August 2021.
- Certain charities and approved sporting bodies that operate a business activity from their business premises and meet the new qualifying criteria are eligible to apply for the scheme.

Eligible businesses that reopened in January 2022 are eligible to claim a single restart week payment to assist them with reopening costs (subject to a maximum weekly amount of €5,000)<sup>4</sup>.

### Background to the CRSS

The CRSS was introduced by the [Finance Act 2020](#) to support businesses significantly affected by restrictions introduced as a result of the Covid-19 pandemic<sup>5</sup>. Under the CRSS, a qualifying person who carries on a business activity that is significantly restricted from operating due to Covid-19 related restrictions can make a claim to Revenue for a payment, subject to a maximum of €5,000 for each week that it is affected by the restrictions<sup>6</sup>.

According to [Revenue's Preliminary Statistics](#) as of 03 March 2022, the total cost of the CRSS is €727 million and this has been paid in respect of 25,600 premises. A total of €23.1 million has been paid to businesses directly impacted by the latest public health restrictions in place in the December 2021 / January 2022 period. Table 2 provides information on CRSS payment claims by period.

**Table 2: CRSS Payment Claims by Period**

Claim Week Start Date*	Claimed Amount**	Premises Claiming
Up to 21 December 2020	€155.9m	19,800
21 December / 28 December / 4 January 2021	€101.7m	19,300

<sup>4</sup> Department of Finance, Press Release, 'Minister Donohoe publishes Finance (Covid-19 and Miscellaneous Provisions) Bill 2022. 04 March 2022. Available [here](#).

<sup>5</sup> For more information on the operation of the CRSS, please refer to this [report](#) published by Revenue on 24 January 2022.

<sup>6</sup> See Revenue, Covid-19 Support Schemes, Preliminary Statistics for more information. The latest publication (03 March 2022) is available [here](#).



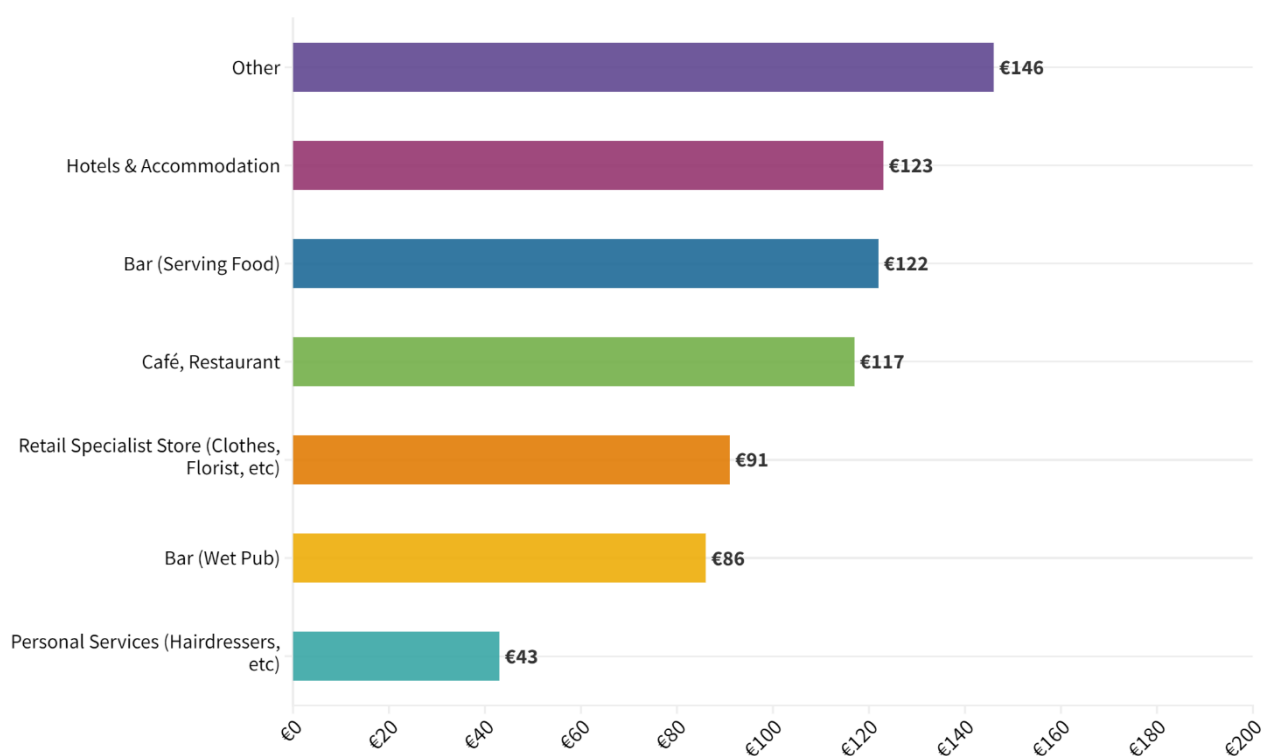
Claim Week Start Date*	Claimed Amount**	Premises Claiming
11 January to 3 May 2021	€294.9m	24,200
10 May to 13 December 2021	€151.6m	19,900
20 December 2021 onwards	€23.1m	3,700
<b>All claim periods</b>	<b>€727m</b>	<b>25,600</b>

Payments are 85% to Corporation Tax registered businesses and 15% Income Tax to registered businesses; \* A claim period can be up to a maximum of 3 weeks; \*\*Claimed amounts include "restart" payments.

Source: [Revenue Preliminary Statistics](#) as at 03 March 2022

[Revenue's Preliminary Statistics](#) for 03 March 2022 also show CRSS payment claims (in millions) by sector for all claim periods. This information is illustrated in Figure 2. Of the total claimed amount, the 'bar (serving food)' sector and 'hotels & accommodation' sector each accounted for approximately 17% of the total amount (€122 million and €123 million, respectively). This is followed closely by the 'café and restaurant' sector which accounted for 16% of the total (or €117 million). Sectors designated as 'Other' by Revenue account for 20% of the total (or €146 million). Finally, Revenue's [preliminary statistics by county](#) show that Dublin accounted for the highest total CRSS payment amount to date (€263 million), followed by Cork (€73 million), Galway (€46 million) and Kerry (€38 million).

**Figure 2: CRSS Payment Claims by Sector (in €m) for all claim periods**



Source: [Revenue Preliminary Statistics](#) as at 03 March 2022

### 3. Pandemic Special Recognition Payment

The Bill proposes that a new section 192K is inserted into the [Taxes Consolidation Act 1997](#) and provides an exemption from income tax, USC and PRSI in respect of the recognition payment made to specific categories of frontline healthcare workers of up to a maximum of €1,000 per person. It also states that the recognition payment, to be known as the “Pandemic Special Recognition Payment”, will be made further to the [Government decision on 19 January 2022](#) and will be made by or on behalf of the Minister for Health.

#### Background to the Pandemic Special Recognition Payment

On 19 January 2022, the [Government announced](#)<sup>7</sup> that they had agreed to provide a once-off tax free payment of €1,000 for eligible frontline health and ambulance workers per individual. An equivalent payment is to be provided for relevant staff in private sector nursing homes and hospices that were affected by Covid-19. The following workers will be eligible for the payment:

- Public service health and ambulance workers
- Those seconded or assigned to the HSE (for example: Defence Forces staff seconded/assigned to HSE testing centres)
- Supernumerary students who were required to perform training in clinical sites
- Staff in private sector nursing homes and hospices affected by Covid-19

For eligible part-time staff, a pro-rata arrangement is expected to apply. The Bill itself does not elaborate on this matter.

Regarding eligibility for the payment, the Minister for Health stated during [Parliamentary Questioning on 2 February 2022](#) that “the measures will be ring fenced to staff ordinarily onsite in Covid-19 exposed healthcare environments within the period between 1 March 2020 and 30 June 2021”.

On the total budget for the proposed payment, the Minister for Health [stated](#):

“The cost of providing a recognition payment of €1,000 to all eligible public servants working in the health and ambulance services depends on the number of staff who are eligible for the payment. If there were 100,000 WTE [Whole-time Equivalent] deemed eligible, the estimated cost would be approximately €100 million. This figure of 100,000 WTE represents approximately 75% of the HSE/Section 38 workforce and would be the minimum expected to be eligible for this recognition payment.

Similarly, the cost of providing an equivalent recognition payment to relevant staff in private sector nursing homes and hospices affected by Covid-19 depends on the number of staff deemed eligible for the payment. The estimated cost set out above does not include the cost in respect of nursing homes and Defence Forces staff. This measure, including costings, will be progressed by the Department of Health. The potential numbers in scope in the private sector nursing homes and hospices are difficult to confirm, however the most recent estimate available points to approximately 36,000 people employed in the private

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<sup>7</sup> Department of the Taoiseach Press Release, [Government agrees Covid Recognition Payment and New Public Holiday](#). Published 19 January 2022.

nursing home sector. It is not possible to determine the breakdown of who may or may not be in scope within these private organisations at this point.”

Regarding staff working in private healthcare facilities, during [Parliamentary Questioning](#) on 25 January 2022, the Minister for Health stated that:

“the Government also notes that some private healthcare companies have recognised the work of their employees during the pandemic. I would encourage private healthcare companies that have not already done so to consider appropriate measures to recognise their own frontline workers for their work during this most trying period.”

This Bill proposes to provide that the Pandemic Special Recognition Payment for healthcare workers will not be subject to income tax, USC and PRSI.

#### 4. Excise duty waiver

As detailed in the [explanatory memorandum](#), the Bill proposes to waive the excise duty on Special Exemption Orders granted over the period 26 January 2022 to 30 April 2022. Special Exemption Orders are granted by the District Court to holders of on-licences and permit the sale and consumption of alcohol in licensed premises beyond normal trading hours (e.g. nightclubs and late-bars require a Special Exemption Order to operate after normal closing time). This implements the [Government decision](#) of 21 January 2022 to provide support to the late-night trade as a result of the impact of Covid-19 on their business. The Department of Finance [press release](#) states that the Courts have been applying the waiver on an administrative basis pending the enactment of the Bill.

##### Background to the excise duty waiver

On 21 January 2022, the Minister for Justice, Helen McEntee TD, and the Minister for Finance, Paschal Donohoe TD, [announced](#) that the court fees and the associated excise duty relating to Special Exemption Orders (SEOs) would be waived until the end of April 2022. This follows a previous waiver that was in place from 19 October to 31 December 2021<sup>8</sup>. The court fee for each SEO is €300 and an excise duty of €110 per application is also payable to the Revenue Commissioners.

#### 5. Tax Debt Warehousing

The Bill proposes to give effect to recent [announcements](#) by the Government that the tax debt warehousing scheme would be extended for businesses impacted by public health restrictions that came into effect in December 2021. It proposes amendments to warehousing provisions in relation to PAYE, income tax, VAT, PRSI, TWSS refunds and EWSS refunds.

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<sup>8</sup> Department of Justice, Press Release, Ministers announce waiver of all fees associated with Special Exemption Orders until the end of April. Published 21 January 2022. Available [here](#).

According to the [explanatory memorandum](#) accompanying the Bill, the six relevant sections (to which these proposed changes would apply) are broadly similar and provide for a four month extension to Period 1 for businesses entitled to payment under any of a number of Covid-19 support schemes, including the EWSS, CRSS, various schemes administered by the Department of Tourism, Culture, Arts, Gaeltacht, Sports and Media, Fáilte Ireland, the Department of Transport, and Enterprise Ireland, as well as schemes with a similar objective that may be approved by Revenue.

For these businesses,

- Period 1, the “Covid-19 Restricted Trading phase”, is amended to run until 30 April 2022
- Period 2, the “Zero Interest phase”, is amended to run from 01 May 2022 to 30 April 2023
- Period 3, the “Reduced Interest phase”, is amended to run from 01 May 2023 until warehoused liabilities have been repaid in full. During Period 3, interest is charged at the reduced rate of 3% per annum payable thereafter until the debt is paid down<sup>9</sup>.

For all other businesses not entitled to payments under the listed scheme, Period 1 remains unchanged and ended on 31 December 2021.

### Background to Tax Debt Warehousing

[Tax Debt Warehousing](#)<sup>10</sup> provides support to businesses experiencing tax payment difficulties due to the pandemic and public health restrictions and means that some tax due to paid by businesses was/can be deferred to be repaid at a later period. The Scheme allows businesses to warehouse liabilities (i.e. tax due) on VAT, PAYE (employer), income tax, TWSS and EWSS. The Scheme has three phases or periods:

- Period 1, the “Covid-19 Restricted Trading Period”;
- Period 2, the “Zero Interest Period”; and
- Period 3: the “Reduced Interest Period”.

Period 1 (the Covid-19 Restricted Trading Period), covers the period when the business first experienced cash flow trading difficulties arising from the impact of Covid-19. No interest is charged during Period 1 on the warehoused liabilities arising in that Period. No interest is charged during Period 2 on the warehoused liabilities from Period 1. In Period 3, a reduced interest rate of 3% per annum applied until the warehoused debt has been fully discharged.

Initially, Period 1 was due to end on 31 December 2021. Period 2 was due to end on 31 December 2022 and Period 3 was due to begin on 01 January 2023 and was to continue until on which the Covid-19 deferred liabilities were discharged in full.

According to the [Department of Finance press release](#),

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<sup>9</sup> Department of Finance, Press Release, Minister Donohoe publishes Finance (Covid-19 and Miscellaneous Provisions) Bill 2022. Published 04 March 2022. Available [here](#).

<sup>10</sup> A useful resource for information on the warehousing of tax debts associated with Covid-19 has been produced by Revenue and is available [here](#). The most recent update to this report is from 28 January 2022.

“The Bill provides legislative underpinning for the Government decision of 21 January that the period where tax liabilities arising can be warehoused would be extended to 30 April 2022 for all taxpayers eligible for the Covid-19 support schemes.

This will allow businesses who have been most impacted some additional time to recover before their tax liabilities have to be paid. Their period of zero interest will therefore commence from 1 May 2022 until 30 April 2023, with interest at the reduced rate of 3% p.a. payable thereafter until the debt is paid down.”

During [Parliamentary Questioning](#) on 22 February 2022, the Minister for Finance, Paschal Donohoe TD stated:

“At end January 2022, there were 105,000 individual businesses availing of the Tax Debt Warehousing scheme, including 3,200 Large Cases and Medium Enterprises Divisions taxpayers. Warehoused liabilities stood at €3.2bn, this figure includes VAT (€1,496m), Employers’ PAYE (€1,592m), Income Tax (€59m) and TWSS / EWSS (€57m).”

## 6. Stamp duty on properties designated as cost rental dwellings

The Bill proposes to insert a new section into the [Stamp Duties Consolidation Act 1999](#). This new section provides for a partial repayment of stamp duty charged at the higher 10% rate for residential properties that are designated by the Minister for Housing, Local Government and Heritage as ‘cost rental dwellings’ subsequent to being acquired.

### Background to stamp duty on cost rental dwellings

[Stamp duty rates](#) on residential properties are currently:

- 1% on the first €1 million
- 2% on excess over €2 million

In 2021, [section 31E of the Stamp Duties Consolidation Act 1999](#) was introduced and provides for a higher 10% rate of stamp duty to be charged where a person acquires 10 or more residential properties (excluding apartments) in any 12-month period. As outlined in [Department of Finance press release](#) on 18 May 2021, and updated on 07 September 2021:

“The background to this Financial Resolution is the purchase by institutional investors of all or a significant proportion of residential housing estates, particularly close to the time of completion. This 10% rate is intended to provide a significant disincentive to this practice of multiple purchase by institutional investors of large parts of, or indeed whole, housing estates before they reach the market, thus denying first-time buyers an opportunity to purchase a home.

Multiple purchases by Local Authorities, approved housing bodies, and the Housing Agency will be outside the scope of this higher stamp duty.”

According to the [explanatory memorandum](#) accompanying the Bill, the new section 83F would apply where a residential property is designated as a cost rental dwelling by the Minister for Housing, Local Government and Heritage under [Part 3](#) of the [Affordable Housing Act 2021](#) within 6

months of being acquired. It is intended that this measure would support the delivery of social and affordable housing.<sup>11</sup>

## 7. Tax treatment of payments made under the proposed voluntary Brexit Whitefish Fleet Decommissioning Scheme

Section 13 of the Bill proposes to insert a new Chapter of Part 23 and amends [section 598](#) of the [Taxes Consolidation Act 1997](#) regarding payments to be made on foot of the Brexit Whitefish Fleet Decommissioning Scheme 2022.

Under this scheme, payments will be made to owners of polyvalent or beam trawl vessels of a minimum age, which are licensed in the fleet and have fished for at least 90 days per year in the last two years or in the years 2018/19. Such vessels will be decommissioned in the period 01 January 2022 to 31 December 2022.

The [Department of Finance press release](#) accompanying publication of the Bill states that

“In line with the recommendations of the report<sup>12</sup> [Report of the Seafood Task Force – Navigating Change – The way forward for our Seafood Section in the wake of the EU/UK Trade & Cooperation Agreement in October 2021], the Minister for Agriculture, Food and the Marine has proposed compensating fishers to voluntarily decommission fishing vessels in order to rebalance and maintain sustainability of the Irish fishing fleet in light of transfers of quota shares to the UK under the Trade and Cooperation Agreement (TCA) between the EU and UK that has a significant negative impact on the fishing opportunities available to the Irish fleet. The Bill will provide for the tax treatment of payments made under the Scheme.”

Within the compensation payment, there are different liabilities for tax which arise under different tax heads depending on which component of the payment is involved. The four components of the payment are:

1. the vessel,
2. the licence,
3. the catch sum and
4. the crew payment.

The following information is obtained directly from the [explanatory memorandum](#):

- **Vessel:** “A payment shall be made in respect of the destruction of the vessel. In general, as the vessel is an asset used for the purpose of the trade, capital allowances will have been claimed by the licence holder of the relevant vessel. If a balancing charge arises as a result

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<sup>11</sup> Department of Finance, Press Release, Minister Donohoe publishes Finance (Covid-19 and Miscellaneous Provisions) Bill 2022. Published 04 March 2022. Available [here](#).

<sup>12</sup> In October 2021, the ‘[Report of the Seafood Task Force – Navigating Change – The way forward for our Seafood Section in the wake of the EU/UK Trade & Cooperation Agreement](#)’ was published. This Task Force was established by the Minister for Agriculture, Food & the Marine. The report recommended 16 support schemes at a total estimated cost of €423 million (Department of Agriculture, Food and the Marine, [Press Release](#), 12 January 2022).



of the scheme, the charge in respect of corporation tax (companies) or income tax (sole trader) will be spread over five years, commencing in the year in which the compensation is paid.”

- **Licence:** “The licence is a capital asset for tax purposes and therefore a payment in respect of the licence may give rise to a capital gain (or chargeable gain in the case of corporates). In certain cases, an individual may avail of retirement relief in respect of this gain. Section 13 amends section 598 of the Taxes Consolidation Act 1997, such that for the relief to apply, the person who receives the compensation payment must have owned and used the fishing vessel for the period of six years prior to the receipt of that payment and must be at least 45 years of age at that time.”
- **Catch Sum:** “This element of the compensation payment is liable to income tax in respect of sole traders or corporation tax in respect of companies. The amendment proposes that the profits or gains chargeable in the period concerned shall be reduced by 50 per cent of the catch sum.”
- **Crew Payment:** “Payments will be made to licence holders of the relevant vessels for onward payment to the qualifying crew members; the insertion of this new section provides for this payment (which may otherwise be subject to either corporation tax (companies) or income tax (sole trader)) to be exempt in the hands of the licence holder.”

## 8. Central Bank Registers

Section 14 of the Bill contains provisions to enable the Minister for Finance to:

- Defray the expenses of the Central Bank incurred in its performance of its functions under the [European Union \(Anti-Money Laundering: Central Mechanism for Information on Safe-Deposit Boxes and Bank and Payment Accounts\) Regulations 2022](#) (S.I. No. 46 of 2022)
- Defray any shortfall from the levy to fund the [Register of Beneficial Ownership of Certain Financial Vehicles](#). This shortfall will be defrayed from the Central Fund in the form of a loan, subject to interest.

It also repeals Regulations 31A (4) to (6) of the [European Union \(Anti Money Laundering: Beneficial Ownership of Corporate Entities\) Regulations 2019](#) (S.I. No. 110 of 2019).

## Financial implications

The explanatory memorandum does not refer to financial implications for the Exchequer arising from the Bill<sup>13</sup>. No Regulatory Impact Assessment (RIA) has been published (at time of publication of this Digest) in respect of the Bill.

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<sup>13</sup> Typically, such implications are detailed in the Explanatory and Financial Memorandum.



## Pre-legislative scrutiny of the General Scheme of the Bill

This Bill was not subject to pre-legislative scrutiny.

## Principal provisions of the Bill

The Bill contains 15 sections which are summarised in Table 3 below.

**Table 3: Summary table of provisions**

Section	Title	Effect
1	Definitions	<p>“Act of 1997” means the <a href="#">Taxes Consolidation Act 1997</a></p> <p>“Act of 2020” means the <a href="#">Emergency Measures in the Public Interest (Covid-19) Act 2020</a></p> <p>“Minister” means the Minister for Finance</p>
2	<p>Amendment in section 28B of the <i>Emergency Measures in the Public Interest (Covid-19) Act 2020</i>.</p> <p>[Employment Wage Subsidy Scheme (EWSS)]</p>	<p>Section 2 proposes to amend <a href="#">section 28B</a> of the <i>Emergency Measures in the Public Interest (Covid-19) Act 2020</i>, as amended. The provisions outline that subject to meeting certain conditions, employers that previously availed of the Employment Wage Subsidy Scheme (EWSS) but did not meet the original eligibility criteria as at 31 December 2021, could re-enter the scheme and that such businesses could continue to be supported until the expiry of the scheme. New eligibility criteria have been provided for, which must be met to allow re-entry into the scheme.</p> <p>In addition, businesses supported by EWSS that were directly impacted by certain public health regulations introduced in late December 2021 would continue to receive the enhanced rates of subsidy for the month of February 2022 and the graduated step-down in subsidy rates would be delayed by one month with such firms continuing to receive support under the scheme until 31 May 2022.</p>
3	Exemption in respect of Pandemic Special Recognition Payment	<p>Section 3 proposes to insert a new section 192K into the <a href="#">Taxes Consolidation Act 1997</a> and provides an exemption from income tax, USC and PRSI in respect of the recognition payment made to specified categories of frontline healthcare workers of up to a maximum of €1,000 per individual. The recognition payment, to be known as the “Pandemic Special Recognition Payment” will be made further to the decision of the Government of 19</p>

Section	Title	Effect
		January 2022 and will be made on behalf of the Minister for Health.
4	Amendment of section 485 of the <i>Taxes Consolidation Act 1997</i> [Covid Restrictions Support Scheme (CRSS)]	<p>Section 4 proposes to amend <a href="#">section 485</a> of the <i>Taxes Consolidation Act 1997</i> to extend the Covid Restrictions Support Scheme to businesses meeting specified criteria from 20 December 2021.</p> <p>From 20 December 2021, for a business making a claim for the scheme under the amended provisions:</p> <ul style="list-style-type: none"> <li>• The turnover threshold is increased from 25% to 40%</li> <li>• A business established during the period 13 October 2020 to 26 July 2021 may access supports under the scheme as a category B new business where the eligibility criteria are met.</li> <li>• Certain charities and approved sporting bodies that operate a business activity from their business premises and meet the revised qualifying criteria are eligible to apply for the scheme.</li> </ul> <p>For category B new businesses, the average weekly turnover will be calculated by reference to the turnover from the date on which the business activity commenced up to 1 August 2021.</p> <p>The provision clarifies that businesses may claim a restart payment equivalent to one week's payment under the Scheme. Where a "restart week" occurs after 20 December 2021 and the business is a charity or approved sports body, or the turnover of the relevant business activity for any claim period commencing on or after 20 December 2021 is between 25% and 40% of the relevant turnover amount, a "restart week" payment equal to one week at the standard rate of the Covid Restrictions Support Scheme may be claimed, subject to a max weekly amount of €5,000.</p>
5	Amendment of section 991B of the <i>Taxes Consolidation Act 1997</i> [PAYE warehousing provisions]	Section 5 proposes to amend the PAYE warehousing provisions in <a href="#">section 991B</a> of the <i>Taxes Consolidation Act 1997</i> .
6	Amendment of section 1080B of the <i>Taxes Consolidation Act 1997</i>	Section 6 proposes to amend the income tax warehousing provisions in <a href="#">section 1080B</a> of the <i>Taxes Consolidation Act 1997</i> .

Section	Title	Effect
	[Income Tax warehousing provisions]	
7	Amendment of section 114B of <i>Value-Added Tax Consolidation Act 2010</i>  [VAT warehousing provisions]	Section 7 proposes to amend the VAT warehousing provisions in <a href="#">section 114B</a> of the <i>Value-Added Tax Consolidation Act 2010</i> .
8	Amendment of section 17C of the <i>Social Welfare Consolidation Act 2005</i>  [PRSI warehousing provisions]	Section 8 proposes to amend the PRSI warehousing provisions in <a href="#">section 17C</a> of the <i>Social Welfare Consolidation Act 2010</i> .
9	Amendment of section 28C of the <i>Emergency Measures in the Public Interest (Covid-19) Act 2020</i> .  [Temporary Wage Subsidy Scheme]	Section 9 proposes to amend the warehousing provisions for refunds due to Revenue of Temporary Wage Subsidy Scheme (TWSS) payments in <a href="#">section 28C</a> <i>Emergency Measures in the Public Interest (Covid-19) Act 2020</i> .
10	Amendment of section 28D of the <i>Emergency Measures in the Public Interest (Covid-19) Act 2020</i> .  [Employment Wage Subsidy Scheme (EWSS)]	Section 10 proposes to amend the warehousing provisions for refunds due to Revenue of the EWSS payments in <a href="#">section 28D</a> of the <i>Emergency Measures in the Public Interest (Covid-19) Act 2020</i> .
11	Waiver of excise duty on special exemption orders	Section 11 proposes to waive the excise duty on Special Exemption Orders granted in respect of the period 26 January 2022 to 30 April 2022.  Special Exemption Orders are granted by the District Court to holders of on-licences and permit the sale and consumption of alcohol in licensed premises beyond normal trading hours. For example, nightclubs and late bars require a Special Exemption Order in order to operate past normal closing time. This is as a result of the Government decision of 21 January 2022 to provide support to the late-night trade due to the economic impact of Covid-19 on their businesses.
12	Repayment of stamp duty on cost rental dwellings	Section 12 proposes to insert a new section 83F into the <a href="#">Stamp Duties Consolidation Act (SDCA) 1999</a> . This new

Section	Title	Effect
		<p>section 83F provides for a partial repayment of stamp duty charged at the higher 10% rate under <a href="#">section 31E SDCA 1999</a> for residential properties that are designated as “cost rental dwellings” subsequent to being acquired.</p> <p>The standard rates of stamp duty for residential property are currently 1% on values up to €1 million and 2% on values exceeding €1 million.</p> <p><a href="#">Section 31E SDCA 1999</a> was introduced in 2021 and provides for a higher 10% rate of stamp duty to be charged where a person acquires 10 or more residential properties (excluding apartments) in any 12-month period.</p> <p>Section 83F is proposed to apply where, within 6 months of being acquired, a residential property is designated as a cost rental dwelling by the Minister for Housing, Local Government and Heritage under <a href="#">Part 3</a> of the <a href="#">Affordable Housing Act 2021</a>. Where section 83F applies, Revenue will repay any amount of stamp duty over and above the standard rate.</p>
13	Tax treatment of certain payments to holders of sea-fishing boat licences	<p>Section 13 proposes to insert a new Chapter 5 of Part 23 and proposes to amend <a href="#">section 598</a> of the <i>Taxes Consolidation Act 1997</i> in respect of payments to be made on foot of the Brexit Whitefish Fleet Decommissioning Scheme 2022 which is to be established by the Minister for Agriculture, Food and Marine pursuant to Regulation (EU) 2021/1755.</p> <p>Under the scheme, payments will be made to owners of polyvalent or beam trawl vessels of a minimum age, which are license in the fleet and have fished for at least 90 days per year in the previous two years or in the years 2018/19. Such vessels will be decommissioned in the period 1 January 2022 to 31 December 2022.</p> <p>Within the compensation payment, liabilities for tax arise under different tax heads depending on which component of the payment is involved. The four components of the payment are:</p> <ul style="list-style-type: none"> <li>- The Vessel</li> <li>- The Licence</li> <li>- The Catch Sum</li> <li>- The Crew Payment</li> </ul> <p>The provisions will come into effect by way of a commencement order made by the Minister for Finance.</p>

Section	Title	Effect
14	Funding of Central Bank of Ireland – anti-money laundering functions	<p>Section 14 contains provisions to enable the Minister for Finance to</p> <p>(i) defray the expenses of the Central Bank incurred by it in the performance of its functions under the European Union (Anti-Money Laundering: Central Mechanism for Information on Safe-Deposit Boxes and Bank and Payment Accounts) Regulations 2022 (<a href="#">S.I. No. 46 of 2022</a>); and</p> <p>(ii) defray any shortfall from the levy to fund the <a href="#">Register of Beneficial Ownership of Certain Financial Vehicles</a>. This shortfall will be defrayed from the Central Fund in the form of a loan subject to interest.</p> <p>This section also repeals Regulations 31A (4) to (6) of the European Union (Anti Money Laundering: Beneficial Ownership of Corporate Entities) Regulations 2019 (<a href="#">S.I. No. 110 of 2019</a>).</p>
15	Short title	Provision relating to the short title of the Bill.

Source: Obtained from the [explanatory memorandum](#) accompanying the Bill.

## Contact:

Houses of the Oireachtas  
Leinster House  
Kildare Street  
Dublin 2  
D02 XR20

[www.oireachtas.ie](http://www.oireachtas.ie)

Tel: +353 (0)1 6183000

Twitter: @OireachtasNews

Library & Research Service

Tel: +353 (0)1 6184701

Email: [library.and.research@oireachtas.ie](mailto:library.and.research@oireachtas.ie)

