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**An Bille Airgeadais (Covid-19 agus Forálacha  
Ilghnéitheacha), 2022**  
**Finance (Covid-19 and Miscellaneous Provisions)**  
**Bill 2022**

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*Meabhrán Míniúcháin*  
*Explanatory Memorandum*

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**AN BILLE AIRGEADAIS (COVID-19 AGUS FORÁLACHA  
ILGHNÉITHEACHA), 2022  
FINANCE (COVID-19 AND MISCELLANEOUS PROVISIONS)  
BILL 2022**

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*Mar a tionscnaíodh  
As initiated*

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**EXPLANATORY MEMORANDUM**

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*Section 1* is a definition section.

*Section 2* amends section 28B of the Emergency Measures in the Public Interest (Covid-19) Act 2020, 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.

The provisions also outline that 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.

*Section 3* inserts a new section 192K into the Taxes Consolidation Act 1997 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 January 2022, and will be made by or on behalf of the Minister for Health.

*Section 4* amends section 485 of the Taxes Consolidation Act 1997 to extend the Covid Restrictions Support Scheme to businesses meeting specified criteria from 20 December 2021. Under the amended provisions, for a business making a claim for the scheme from 20 December 2021:

- the turnover threshold is increased from 25 per cent to 40 per cent,
- 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,

- 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.

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.

The provision clarifies that businesses may claim a restart payment equivalent to one week's payment under the Scheme. The amended provision provides that 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 per cent and 40 per cent of the relevant turnover amount, a "restart week" payment equal to one week at the standard rate of the Covid Restrictions Support Scheme (subject to a maximum weekly amount of €5,000) may be claimed.

*Sections 5 (PAYE), 6 (Income Tax), 7 (VAT), 8 (PRSI), 9 (TWSS refunds) and 10 (EWSS refunds)* 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 on 20 December 2021.

*Section 5* amends the PAYE warehousing provisions in section 991B of the Taxes Consolidation Act 1997.

*Section 6* amends the income tax warehousing provisions in section 1080B of the Taxes Consolidation Act 1997.

*Section 7* amends the VAT warehousing provisions in section 114B of the Value-Added Tax Consolidation Act 2010.

*Section 8* amends the PRSI warehousing provisions in section 17C of the Social Welfare Consolidation Act 2005.

*Section 9* amends the warehousing provisions for refunds due to Revenue of Temporary Wage Subsidy Scheme (TWSS) payments in section 28C Emergency Measures in the Public Interest (Covid-19) Act 2020.

*Section 10* amends the warehousing provisions for refunds due to Revenue of the EWSS payments in section 28D Emergency Measures in the Public Interest (Covid-19) Act 2020.

The six sections are broadly similar, providing 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 Employment Wage Subsidy Scheme, the Covid Restrictions Support Scheme, 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 the Revenue Commissioners.

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" of the scheme, during which interest is charged at per cent on warehoused liabilities) is amended to run from 1 May 2022 to 30 April 2023. "Period 3" (the "reduced interest phase", during which interest is charged at c. 3 per cent per annum on warehoused liabilities) is amended to run from 1 May 2023 until warehoused liabilities have been repaid in full. For all other businesses not entitled to payments under the listed schemes, "Period 1" remains unchanged and ended on 31 December 2021.

*Section 11* waives 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 arises from the Government decision of 21 January 2022 to provide support to the late-night trade recognising the economic impact of COVID-19 on their businesses.

*Section 12* inserts a new section 83F into the Stamp Duties Consolidation Act (SDCA) 1999. The new section 83F provides for a partial repayment of stamp duty charged at the higher 10 per cent rate under section 31E SDCA 1999 for residential properties that are designated as “cost rental dwellings” subsequent to being acquired. The standard rates of stamp duty for residential property are currently 1 per cent on values up to €1 million and 2 per cent on values exceeding €1 million. Section 31E SDCA 1999 was introduced in 2021 and provides for a higher 10 per cent rate of stamp duty to be charged where a person acquires 10 or more residential properties (excluding apartments) in any 12-month period. Section 83F will 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 Part 3 of the Affordable Housing Act 2021. Where section 83F applies, Revenue will repay any amount of stamp duty paid over and above the standard rate.

*Section 13* inserts a new Chapter 5 of Part 23, and amends section 598, of the Taxes Consolidation Act 1997 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.

Under the 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 previous two years or in the years 2018/19. Such vessels will be decommissioned in the period 1 January 2022 to 31 December 2022.

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:

- the Vessel,
- the Licence,
- the Catch Sum, and
- the Crew Payment.

**The 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 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.

**The 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.

**The 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.

**The 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.

The provisions will come into effect by way of a Commencement Order made by the Minister for Finance on such day or days as he shall appoint.

*Section 14* contains provisions to enable the Minister for Finance to:

- (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 (S.I. No. 46 of 2022); and
- (ii) 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.

This section 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).

*Section 15* contains a provision relating to the short title of the Bill.

*An Roinn Airgeadais,  
Márta, 2022.*