PwC’s 2023 Pre-Budget Submission for Private Enterprise – Supporting Sustainable Growth

Our 2023 Pre-Budget submission, developed in conjunction with the Family Business Network, focuses on key tax initiatives to support home-grown Irish business. Family and privately owned Irish businesses employ more than 1m people in over 170,000 businesses right across the country.

This year's pre-Budget submission has also been influenced by the findings from our recently released PwC EMEA Private Business Heatmap ("the Heatmap") which ranked the attractiveness of 34 EMEA countries, including Ireland across categories including Macroeconomics, Private Business Landscape, Tax and Regulatory, Environmental, Social, and Governance (ESG) metrics, Public Health, Education, Skills and Talent, and Technology Infrastructure. The data upon which the Heatmap is based relates to late 2021 and; it provides a useful benchmark on the relative attractiveness of Ireland for entrepreneurs and growing businesses.

The findings within the tax and regulatory category of the Heatmap have been of particular interest in helping us to further contextualize and shape our views. Not surprisingly, Ireland scores 4th place for corporate tax, reflecting Ireland's status as a hub for corporations to establish their headquarters and our success at attracting inbound business. However, Ireland ranked 19th for its personal tax rates which is something that might surprise (or even disappoint) the Irish reader. Given how important entrepreneurs and private businesses are to our economy and the fact that an entrepreneurs or business owners' wealth is so intertwined with that of their businesses, this underscores our long standing concern that Ireland's tax regime needs to support to the maximum extent possible the establishment and growth of indiginous businesses, not to mention their entrepreneurial founders.

The tax changes that are needed to help Ireland improve its overall "score" and move up the Heatmap ranking should have a dual focus. Firstly, it requires more meaningful strategic and long term measures to incentivise investment and to support entrepreneurs – to make Ireland be an entrepreneur's first and only choice to set up a business, and which should work to ensure that as many businesses as possible start, grow, expand and ultimately stay on these shores within our cities, towns and regions. Secondly, from the perspective of the entrepreneurs and the people they employ, it is very evident when we have reflected on how Ireland's corporate and personal taxation rates compare by international standards that the gap is too large. As you will therefore read, many of the suggested measures (particularly in the areas of the taxation of gains and employee involvement in the ownership of a business) speak to addressing that gap.

Some of the key measures discussed throughout this submission include:

» Within the category of Employment Supports, we have set out a number of proposals which aim to aid businesses with two of the key challenges they are facing at the moment, being staff retention/reskilling and inflationary pressures. In terms of staff retention/reskilling, one of our key proposals centers around the creation of a platform to offer incentives for Irish businesses to let properties to their staff, either on a short term or a longer-term basis.

» Within the category of Supporting Growth and Investment, our proposals are aimed at encouraging investment into private businesses through measures such as the introduction of capital allowances for remote working along with improvements to the EIIS scheme and the R&D tax credit regime. We believe that a reduction of the CGT rate on non-property investments from the current rate of 33% to 20% would support investment by private businesses and entrepreneurs into private businesses.

» Within the category of Building a Sustainable Ireland, we have proposed the introduction of tax reliefs and incentives in the renewable energy space which are aimed at encouraging investment in this area. For example, we would like to see an extension of the CGT participation exemption (S626B TCA 1997) to early stage renewable energy projects since it is critical that these early stage projects are being divested to renewable developers, with the necessary expertise and capital, to fully deliver the project.

» Lastly, within the category of Business Succession, Transition and Other Priorities, we have proposed a number of measures, one of which includes an amendment to the revised Entrepreneur Relief whereby dividends would fall within the remit of being taxed at 10%.

1. Employment Supports

After two years of pandemic upheaval, private business employers in Ireland – as in much of the developed world – are contending with rising costs. Although average wages are rising rapidly, by historic standards, inflation is rising even faster.

Government supports announced so far to ease the cost of living will help but it will not plug the gap for everyone, and many employees and families will still be feeling the strain. And while some companies say they cannot afford to pay workers more, others and in particular family businesses, feel both an ethical imperative and intense commercial pressure, against a backdrop of labour shortages, to help those on low incomes. Organisations are saying that they are struggling on affordability but they feel a moral obligation to help employees. They are trying to make their benefits package the best it can be.

Attracting and retaining talent, reskilling and preparing their workforce for the digital future continue to be key areas of focus for many private business owners as they look forward. However, supporting employees while managing inflationary pressures has now also come to the fore. We have previously highlighted the need to introduce measures for private businesses to allow them to offer non-cash reward mechanisms to employees with a view to attracting, supporting and retaining key staff in order to supplement the more traditional cash-based packages (salary/bonuses/benefits) that many businesses cannot easily afford to pay. Therefore, it is really important that the Government specifically focuses on helping the private business sector in the upcoming Budget to support their employees with rising costs and inflationary pressure and looks to other EMEA territories as highlighted in the Heatmap for some best in class supports for this vital part of our economy.

Furthermore, in an era where property pressures and prices continue to be one of the most significant challenges facing so many of our workforce, there is also an opportunity to introduce measures to encourage more Irish indigenous businesses into the rental market. The introduction of such measures could create a viable option for private business employers to provide more affordable accommodation to their employees which could be another driver in attracting, supporting and retaining talent within this sector.

Income Tax Bands

» Income Tax bands and credits should be increased significantly, at least in line with the current rate of inflation, to avoid an unnecessary additional income tax burden on employees.

Small Benefit Exemption

» Increase the Small Benefit Exemption for employees from €500 per annum to €1,000 per annum to help offset soaring living costs.

Employer PRSI relief

» We propose a reduction / rebate of up to 50% of employers' PRSI for an initial 12-month period so that businesses can partially offset the cost of increasing salaries and supporting employees. Inflation is putting pressure on employers to increase wages which is reducing profit margins and increasing overheads. Alternatively, such a reduction/rebate could be used to allow businesses to hire new staff and to fund the cost of training new hires.

Travel and Subsistence

» Increase the civil service travel and subsistence rates to account for the ever-rising costs associated with fuel, food and accommodation.

» Furthermore, while there is already employer PRSI relief on the provision of providing certain public transport benefits to employees (such as the Taxsaver Commuter Ticket Scheme), further relief could be granted to fully exempt such benefits from all Income Tax. This would have the dual benefit of both allowing private businesses to really support employees with the rising costs associated with commuting without increasing wages, as well as encouraging a greater use of public transport (with all the wider sustainability benefits for the environment that carries).

Property Rental to Employees

- There are opportunities for employers within the private business sector to ease the burden of the housing crisis by creating incentives for Irish businesses to let properties to staff, either on a short term or a longer-term basis. Some possible measures include:

  - Rents received by the corporate employer from their employee to be taxed at 12.5% (as opposed to the current 25% rate of corporation tax on rents).

  - Additional deductions available for the employer in respect of the purchase/retrofit of 'green' properties (see Section 3 below for some suggested measures).

  - Additional tax reliefs available to employees that let retrofitted properties from their employer (e.g. additional income tax credits, reduced BIK where less than market rent is paid to the employer).

Share Option Schemes

- We have flagged in previous pre-Budget Submissions the real need for significant changes to be introduced in the area of employee participation in Irish private businesses in order to improve the availability of incentives around employee ownership. We have previously cited practical difficulties associated with the taxation of share option schemes (for example the distinction between short option and long options having a detrimental effect on private businesses) and the reality is that there are now very limited viable schemes available to incentivise employees.

KEEP Scheme

- We welcome the Key Employee Engagement Programme (KEEP) scheme consultation launched at the end of May by the Department of Finance. The basic concept of the KEEP scheme should have lent itself to significant participation by the private business sector since its introduction in Finance Act 2017. However, the low take-up of this scheme to date can be largely attributed to certain restrictive measures that make it difficult to operate in practice. One key challenge is the taxation of disposals of shares by participants of the scheme. CGT treatment is essentially only available in the event of a sale of the business and we would like to see CGT treatment also applying to share buybacks of KEEP shares.

Employee Ownership Trusts

- The concept of an Employee Ownership Trust ("EOT") was introduced in the UK in 2014 and has been hugely successful in promoting and encouraging greater employee ownership. In previous pre-Budget Submissions, we have highlighted the need to facilitate a new scheme whereby private business owners can sell their business to an Employee Owned Trust (EOT) and secure a CGT exemption on the transfer. This could be a useful mechanism for rural businesses in particular, which are important within their communities, and often have no obvious successors or purchasers except from the employee base within the business. Employee-owned businesses have a proven track record of success as they encourage collective responsibility for the company's performance.

2. Supporting growth and investment

Given heightened global uncertainty surrounding the Russian invasion of Ukraine in February 2022, the Economic and Social Research Institute (ESRI) has, in its Spring 2022 Commentary, revised its forecast downward from its Winter 2021 Commentary.

While domestic economic activity is forecast to increase in 2022 (with GDP expected to grow by 6.2 per cent) and continued improvements in the labour market are still expected, the ESRI has cautioned against the significant downside risks associated with the geopolitical crisis and higher than anticipated inflation. Any measures aimed at stimulating growth and investment in private businesses need to be monitored and targeted to protect Irish businesses in so far as possible against the significant inflationary and global supply challenges that are likely to endure into 2023.

Interest on Late Payment of Tax

» The normal rate of interest on late payment of income tax and corporation tax is 8% and 10% for VAT and Employer PAYE respectively. These rates are extremely penal and significantly inconsistent with market rates. We propose a reduction in the interest rates to 3% per annum across all tax heads. The proposed rate of 3% is in line with the current rate of 3.5% currently applied in the UK on the late payment of tax. There is merit in such a measure now more than ever as we seek to help businesses facing unprecedented cost and cashflow challenges.

Tax Debt Warehousing Scheme

» While it is encouraging to see that the Tax Debt Warehousing Scheme has been extended to 2023 in certain cases, the qualifying conditions and repayment timelines should be monitored on an ongoing basis. Those industry sectors hardest hit by inflationary pressures will undoubtedly have significant cashflow challenges in the short to medium term as they deal with other creditors (many of whom will also be interdependent and inter-linked private businesses within their local communities).

Commercial Rates

» Ignoring the fact that those sectors hardest hit by commercial rates are largely the same sectors that have suffered most from the pandemic, the concept of commercial rates is fast becoming archaic. We fully support the Family Business Network's proposal to carry out a wide ranging review of the commercial rates regime, engaging all stakeholders, with the objective of establishing a replacement regime that is fit-for-purpose in this digital age.

VAT, Customs & Excise Measures

» Reduce the standard rate of VAT from 23% to 21%.

» Increase both the VAT registration and cash-receipts basis of accounting thresholds.

» Extend the 9% VAT rate for the hospitality sector to 31 December 2024. While the recent announcement to extend this rate by another 6 months to the end of February 2023 is welcomed, this sector needs stability and certainty in this highly volatile post-pandemic economic environment. Any increase in Ireland's VAT rate in the short to medium term would make us an outlier in Europe at a time of escalating business costs for Irish hotels and guesthouses.

» Where possible reduce customs rates on the importation of key building materials used for the development of residential properties.

Remote Working Capital Allowances

» The pandemic has undoubtedly accelerated changes in how we work, and it is now evident that remote and hybrid working can be a differentiating factor in retaining talented people, especially those that have relocated out of urban areas to rural communities. We would welcome the introduction of a once off grant, similar to that currently in operation in Portugal (known locally as the 'MAIS rural employment grant') whereby employees would be offered a grant to help with the costs of relocating to rural towns and villages

of Ireland. Such grants could be used towards rents, wifi and internet costs. The Portuguese government offers grants up to €4,800 to employees (which includes all EU workers with valid work VISAs) to relocate to rural villages in Portugal provided that they stay a minimum of 12 months. A successful uptake of such an initiative could contribute to the easing of the housing crisis in urban areas along with the revitalisation of rural communities while also lowering carbon footprints as a result of less time in traffic.

- Employers also need to be incentivised to invest in the infrastructures required to ensure that remote and hybrid working is a viable option for their employees. Therefore we would like to see a 130% accelerated super capital allowance deduction in year 1 to write off expenditure on IT equipment and software for employees to facilitate continued remote and hybrid working from home where possible.

Reduced Capital Gains Tax (CGT) Rate on Non-Property Investment Assets

- Reduce the CGT rate on non-property investments from the current rate of 33% to 20% in order to support investment by private businesses and entrepreneurs. Such a reduced rate of CGT could encourage people to pursue business ideas where there is potential to achieve a liquidity event as investors rather than management of a business. This will encourage and support transaction activity and entrepreneurship. The increase in activity will more than offset any reduction in rate.

Employment Investment Incentive Scheme (EIIS)

We are aware that a process for adopting revised guidelines related to the EU's State Aid Rules (GBER) is well advanced and will require changes to the EIIS legislation in order to ensure that it is compatible. The opportunity to implement legislative changes in each budgetary/Finance Bill cycle needs, as a matter of practicality, to be cognisant of the resources available in the various departments which we fully appreciate are not unlimited. This year therefore presents an excellent opportunity to address wider issues associated with the scheme - many of which we have spoken about in our previous submissions and include the following.

- Enhance the EIIS by allowing CGT loss relief if the investment fails – this appears wholly compatible with the revised GBER.

- Rectify provisions that are a relic of the BES legislation (e.g. inability to use certain holding companies) and more recent provisions that have given rise to some unintended consequences (e.g realised investment gains liable to income tax rather than CGT).

- Finance Act 2021 included a very welcome amendment (which we called for in last year's submission) to open up the EIIS to include "qualifying investment funds" which captures limited partnership structures established either under the Limited Partnership Act 1907 or the Investment Limited Partnership Act 1997. We have been encouraged to see market activity in this space already. However, an anomaly exists in the legislation when assessing whether an individual is "connected" with the EIIS company (an individual cannot claim EIIS relief if this happens) given that account must also be given to the involvement of any "relative" or "partner" of that individual as well. We consider the legislation should be amended, since it currently regards every individual who makes an investment into a qualifying investment fund as partners

(automatically) of everyone else who has also invested (in practice it is highly unlikely that they will all know each other). Amending the legislation to ensure that the phrase "partner" should only encompass individuals who are already in partnership with each other in a true commercial/trading sense would be a lot fairer.

R&D Tax Credit Regime

On 30 May 2022, PWC prepared a formal response to the Department of Finance's invitation for submissions on the "Public Consultation on the Research and Development Tax Credit and Knowledge Development Box" document as published by the Department of Finance on 14 April 2022. Some of the proposed improvements to the regime highlighted in our response to be of specific interest for private business include:

- Increase in the rate of the R&D tax credit.
- Broadening of expenditure base (e.g. rent, facility costs etc.)
- Increase in subcontractor and university caps.
- An improvement to the regime to provide for a fully monetised credit for which payment can be accelerated from the current three years to one year.
- Ability to utilise the credit to reduce other taxes This could include an offset against employment taxes and VAT of the company thereby providing immediate cash tax savings.
- Preapproval process for new claimants below a certain scale.

3. Building a sustainable Ireland

Ireland has committed to a legally binding target of net-zero greenhouse gas emissions no later than 2050 and a reduction of 51% by 2030.

The 170,000 businesses in the private business sector will be a major stakeholder in this journey and any "green" initiatives adopted by private businesses must be supported by a suite of well-designed tax policy measures. PwC is preparing a separate Pre-Budget submission in relation to the ESG agenda and below are some of the principal recommendations targeted for the private business sector.

The launch of further information and supports will be needed on a continuous basis to aid the private business sector in managing the transition to net-zero. For example, the Climate Toolkit 4 Business is a welcome measure for Irish private businesses.

Encouraging re-skilling and employment

» Employment and upskilling are essential to enable Ireland to meet its emissions targets and to move to a green economy. Private businesses play a critical role in Ireland's green transition in a number of areas, most notably in the areas of construction, technology and the biodiversity/circular economy. Private businesses will continue to require funding and support from the Government to future proof their business and to be encouraged to invest in business which supports the green economy. Further to steps taken in previous budgets and the launch of the Climate Toolkit 4 Business for private businesses, we propose the introduction of an additional corporation tax deduction for staff costs where the employees in question have been hired to support the business's sustainability agenda or where selected employees are completing an upskilling programme that is contributory to the Green economy.

Investment in Renewables

» Reintroduction of the relief for investment in renewable energy generation (s486B TCA 97) which ceased in 2014 in order to encourage corporate investment.

Participation Exemption

» Extend the CGT participation exemption (S626B TCA 1997) to early stage renewable energy projects since it is critical that these early stage projects are being divested to renewable developers, with the necessary expertise and capital, to fully deliver the project.

» Provide greater certainty as to what qualifies for CGT participation exemption (S626B TCA 1997), with particular reference to capital projects in the area of sustainable and green energy.

Grid Connection Costs – Capital Allowances

» Put the entitlement of claiming capital allowances on grid connection costs beyond doubt.

Pre-trading expenditure

» An increase in the pre-trading expenditure window from 3 to 7 years.

Electric Vehicles

» Introduce measures to encourage a market for second hand electric vehicles by way of tax incentives. Please refer to PwC's ESG Pre-Budget Submission for further details.

Investment in energy efficient land, buildings & plant and machinery

- Introduce a time limited ‘super deduction’ (up to 130% of capital expenditure incurred) until 31 December 2023 for the purchase of all plant and machinery and capital expenditure on buildings/ factories that receive a recognised accreditation for overall energy performance.
- Introduce the ability to monetise capital allowances in respect of qualifying energy efficient assets (e.g. where company is loss making).
- Continued improvements to capital allowances for energy efficient equipment as detailed in previous years submissions which continue to be a valuable upfront tax deduction, cash flow benefit for private businesses.
- Introduce tax incentives for farmers and land-owners to make their land available to deliver renewable energy.

Potential Relieving Provisions for Green Properties

The price of dwellings has been increasing significantly since 2014, primarily driven by increases in cost inputs (building materials, labour, land costs). Increasing input costs are continuing to erode affordability and therefore reduce the number of private households with the financial capacity to either purchase new builds or to retrofit their existing homes. There is an opportunity to introduce measures to incentivise both private individuals and the private business sector to invest in green properties. Some suggested measures in this regard include:

- Introduce additional ‘green’ tax reliefs in respect of Capital Gains Tax (CGT) liabilities arising on the disposal of properties that have been retrofitted. For example, this could be achieved by way of a ‘double deduction’ for the cost of the retrofit or by reducing the overall CGT rate on the sale of the property that has been retrofitted. If landlords were to get a direct and immediate relief from CGT where a retrofit has been done, this should neutralise the impact of an increase in value due to retrofit for CGT purposes, therefore making it very attractive to property investors.
- Introduce a reduced rate of stamp duty, or indeed an exemption from stamp duty, where a retrofit of a second-hand property has taken place within a specified time period after the initial purchase of the property.
- Introduce a “retrofitting scheme” (incorporating associated upskilling) aimed at modernising Ireland’s housing stock.

Living City Initiative

Tailor the existing Living City Initiative measures to help cope with projected urban population increases in the decades to come. We propose a consultation process with relevant stakeholders to explore the possibility of:

- expanding the Special Regeneration Areas (SRAs) that currently qualify for this relief.
- expanding the definition of a qualifying residential property (e.g. amending the requirement for the property to have been built before 1915 if appropriate to do so in certain urban areas.)
- extending the qualifying period for expenditure beyond 31 December 2022 to 2030 for example to ensure that meaningful projects have a realistic timeframe for completion.

In relation to owner occupied residential relief, consider the possibility of:

- amending the relief so that an individual who incurs qualifying expenditure can elect to have part of the qualifying expenditure offset against prior periods income tax liabilities. Such amendment would aid with initial cash flow costs.
- reducing the period over which an individual who incurs qualifying expenditure is entitled to relief by way of a deduction from 10 years to 5 years. This measure would de-risk the uncertainty for individuals and the ability to claim the relief where there may be a change to income levels over a 10 year period and has the potential to reinvigorate market interest in relevant properties.
- amending the relief to ensure that any deduction not claimable in a tax year due to insufficient income can be carried forward to future tax years and allow any unclaimed relief to transfer with the property to ensure that the relief has an impact for the full timeframe of the relief.
- an extension (capped as a percentage relative to the overall area of the building) of the residential relief to include work on extensions to all buildings built prior to 1915 in the special regeneration area.

Other possible amendments include:

- a carve out from the 10% stamp duty rate on the acquisition of certain residential properties to encourage developers and investors to undertake projects in this area.
- In relation to rented residential and commercial/ retail relief, consider a rolling three year approach for the Living City Initiative.

4. Business succession, transition and other priorities

Succession planning and planning for future exit strategies continue to be high on the agenda. The survival of many privately owned businesses in these highly uncertain times will be dependent on a successful transition of the business to the next incumbent, be that "next gens", key management stakeholders or third party investors.

CAT Rates and Bands

- Raise the CAT Band A threshold (including all gifts and inheritances from parents to their children) to €500,000.

CGT Retirement Relief and CAT Business Property Relief

- Remove anomalies from how CGT Retirement Relief is calculated to ensure that it operates on a consistent basis with Capital Acquisitions Tax ("CAT") Business Relief. We have highlighted this on previous occasions and we would reiterate our proposal to seek to address the common inhibitors that arise time and time again. A consultation process between relevant stakeholders and the Department of Finance is the suggested starting point here.

- Increase the retirement relief age from 66 to 70. Many business owners are working well beyond the age of 66 now and when the 66 threshold is exceeded it can be difficult to pass a business to the next generation. This proposal is in line with France where certain reliefs are available on the passing of shares in qualifying companies where the donor is under the age of 70.

- Remove cash as a non-qualifying asset in trading businesses for CAT Business Relief purposes until and unless the cash is invested in non-qualifying assets.

- Allow CAT Business Property Relief on active property rental businesses. This would support many family offices and also ensure private businesses who support the rental market are not penalised when it comes to the business being passed to the next generation. This is in line with our suggested measure within the Employment Supports category whereby it is proposed that incentives are introduced for Irish businesses to let properties to their staff.

Inter-generational business transfers

- Introduce mechanisms to facilitate the transfer of businesses to the next generation without incurring upfront punitive tax costs e.g. an 'upfront instalment' of the gift/inheritance tax applying with any balance of tax being spread over a longer term period of at least 10 years. This would allow the next generation the capability and space to grow the business while ultimately funding the tax cost of the transfer over a longer period.

Entrepreneur's Relief

- Increase the lifetime limit for Entrepreneur Relief to €5m. The current limit of €1m does not provide sufficient incentive for entrepreneurs to dispose of their businesses and reinvest in new businesses.

- Expand the Revised Entrepreneur's Relief provisions under S597AA TCA 1997 to include dividend income for founders (provided the existing conditions to qualify for this relief are met). This will enable Irish founders to extract excess cash from a business at a 10% tax rate without the need to sell the business and would encourage the retention of these key Irish businesses here in Ireland as opposed to selling the business to offshore private equity and PLC buyers. Any dividends paid out would come out of the overall Entrepreneur's Relief lifetime limit.

- Expand the scope of the definition of a Chargeable Business Asset within Revised Enterprepreneur's Relief provisions under S597AA TCA 1997 to include a disposal of shares in a trading company(ies) with dormant subsidiaries. This would ensure that the relief would have a wider remit for application.

These measures to support entrepreneurs would help improve Ireland's attractiveness for entrepreneurs looking to set up new businesses and would help improve Ireland's Heatmap "score" in this area.

For entrepreneurs, their income is so intertwined with the private businesses that they have founded and overall headline Income Tax and Capital Gains Tax rates also need to be considered in order to get a true picture as to whether Ireland, as a private business destination, really ranks high amongst its peers. Therefore, creating an attractive tax and regulatory regime for private businesses in reality represents an investment in the country's future wellbeing and growth.

Amendments to Anti Avoidance S135 (3A) TCA 1997

» Introduction of a bona fide test into the 2017 anti-avoidance legislation (S135 (3A) TCA 1997) to facilitate genuine commercial share disposal transactions. The bona fida test would ensure that where there is a genuine commercial share disposal, CGT treatment would apply, making a disposal of shares more attractive than if the transaction is treated as a distribution.

Support for the Irish audio visual and gaming sectors

Following the announcement by Minister Martin TD to extend the Creative Ireland Programme to 2027 and in light of the size and growth rate of the global creative economy, Ireland's creative tax reliefs must be reviewed and enhanced as a matter of priority.

Film relief

During a 2019 trade mission in LA, Minister Varadkar committed to assisting Screen Ireland to *"double the size"* of Ireland's film, TV and animation industry over 5 years. Section 481 relief, commonly referred to as "film relief" is a key policy lever in achieving that objective. Provided it remains competitive, this relief should continue to attract international productions to locate here while also supporting Ireland's indigenous film, TV and animation sector.

The following actions are required now to ensure that Ireland remains a competitive production location:

» An immediate and indefinite extension of the relief beyond the current expiration date of 31 December 2024 to allow longer term planning and investment decisions.

» Review the current €70m project cap which limits Ireland's ability to compete for larger productions on the international stage.

» Extend, enhance and simplify the regional uplift credit.

» Explore expanding the scheme to attract productions not currently qualifying for relief including the rapidly growing unscripted sector.

Digital gaming tax credit (DGTC)

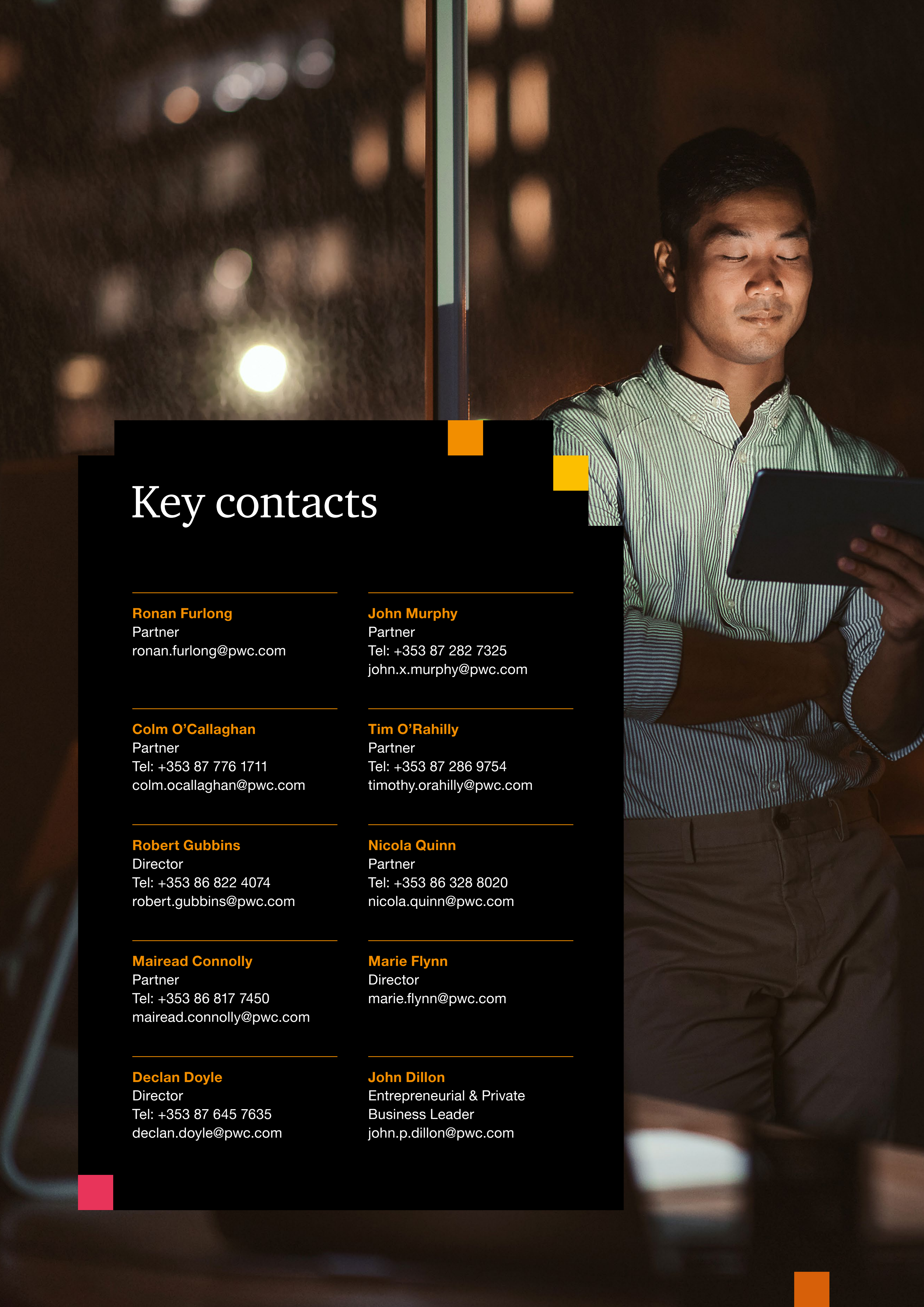
The DGTC, coupled with other Government initiatives such as the new digital gaming hub in Sligo, aim to facilitate the development and growth of the Irish digital gaming industry.

However, the following should be immediately prioritised to commence this journey to become a global hub for the development of digital games:

» Secure EU State Aid approval and enact a commencement order to give effect to the credit.

» Keep a constant review of the DGTC cap of €25m per game to ensure Ireland is internationally competitive and attractive to all producers including triple-A game developers.

» Ensure the regime is easy to access particularly for small & micro companies.



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