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3 APRIL 2020 REVENUE COVID – 19 UPDATE

1. E-Working Tax Credit (circa €75 a month)

Where the Government recommends that employees work from home, the employer may pay the employee a tax-free allowance up to €3.20 per day to cover the additional working from home costs.

If the employer does not make this payment, Revenue are willing to accept that 10% of the vouched expenses can be claimed as a tax credit on the individual's return (for example electricity, gas, telephone and internet bills).

2. Tax Free Vouchers

An employer can issue more than one tax free voucher to an employee who continues to work during the Covid-19 Pandemic period. However, the cumulative value of the vouchers issued to employees must not exceed €500.

3. PAYE Exclusion Order

If an individual had to return to Ireland for more than 30 days as a result of Covid-19, their PAYE exclusion order should not be rescinded.

4. Benefits in Kind (BIK)

A BIK will not arise on:

- × Employer provided equipment such as laptops, printers, scanners or office equipment which is necessary for the employee to work from home.
- × Holiday/flight reimbursement where an employer reimburses certain employees for holiday/ flight cancellations in relation to costs of assisting employees to return to Ireland.

The company can reimburse the flights/ hotels for the employee and their family, however the costs incurred must be reasonable and the employee is unable to reclaim the costs from an insurance company.

- × Taxi fares for journeys to or from work during the period of Covid-19.
- × Company cars - where personal use of the company car is allowed by the employer and limited business mileage is undertaken during the Covid-19 period, the amount of business mileage in January 2020 will be used as a base cost for the purposes of calculating the amount of BIK due for the Covid-19 period.

5. Tax Residency - Force Majeure

Force majeure is described as extraordinary natural occurrences or an exceptional third-party failure – none of which could reasonably have been foreseen and avoided. Revenue have confirmed that they will consider “force majeure” circumstances for the purpose of establishing the tax residence position for individuals.

6. Extended Deadlines

The following deadlines have been extended:

- 2019 share scheme returns – from 31 March to 30 June 2020.

- Local Property tax payment – from 21 March to 21 May 2020.

The CRO have also extended the filing deadline to 30 June 2020 for Form B1s due between now and 30 June 2020.

7. Trans-Border Relief

Days working from home in Ireland as a result of Covid-19 will not preclude you from claiming trans-border relief, provided all other conditions are met.

8. Corporation Tax – Permanent Establishment

Due to travel restrictions, an individual may be required to work from home in Ireland which may cause permanent establishment issues. Revenue have confirmed they will disregard such presence in Ireland for corporation tax purposes.

When reviewing the place of central management and control for Irish corporation tax, it is recommended that director board meetings are held in Ireland. As non-Irish directors would not be able to travel to Ireland for board meetings due to Covid-19, it is recommended that the exceptional nature of remote participation in such meetings is documented.

9. Special Assignee Relief Programme (SARP)

Where an individual does not become an Irish tax resident in the year of their arrival due to Covid-19 travel restrictions, Revenue have confirmed they will consider force majeure circumstances when determining how an individual's residency position will impact their SARP application. Revenue have also confirmed that they will extend the 90 days period to submit a SARP application to Revenue to 150 days from the date the employee arrived in the country.

Revenue are continually updating their eBriefs during the Covid-19 crisis and, therefore, this summary is intended as a general guide. No action should be taken without obtaining professional taxation advice.

If you have any queries please do not hesitate to contact Fitzgerald & Partners on 0214774500 or email your usual Fitzgerald & Partners contact.

This summary does not include the Temporary Wage Subsidy Scheme which has already been highlighted in our last email. Further updates are expected.