

## Business Owners & Entrepreneurs

### Our Team



#### Rory Meehan, Head of Taxation

With extensive experience in succession planning, Rory Meehan advises clients on the transfer of businesses to the next generation, the disposal of businesses to third parties and reorganisations within existing ownership structures. He has specific experience relation to the interaction of tax and commercial issues so as to ensure that tax is consistent with the overall objectives.

T +353 (0) 1 646 9003 · E rory.meehan@rsmfsgs.ie

### Business

In today's Budget speech, Minister Noonan made moves to reassure the multinational sector while also bestowing benefits on the indigenous sector.

#### *Commitment to 12.5% corporate tax rate*

To the world at large he reaffirmed Ireland's commitment to maintaining its 12.5% corporate tax rate. He made a special promise to the international financial services sector by stating that the Finance Bill will contain a package of measures to support the continued success of the aircraft leasing industry, the international insurance industry, the international funds industry and the corporate treasury sector.

He also indicated that he wished international companies place more of their key personnel in Ireland and will introduce a "special assignee relief program". This will be an interesting development. Ireland has now one of the highest personal tax rates. One wonders if the incentive will be that foreign nationals will pay no more tax in Ireland than they would have paid in their own jurisdictions or could they in fact receive a tax holiday if they commit to a certain length of time in Ireland.

#### *Foreign Earnings Deduction*

In an effort to encourage the indigenous industry to look beyond our borders, the Minister will introduce a Foreign Earnings Deduction for individuals who spend sixty days a year developing markets in the BRIC economies (Brazil, Russia, India and China) and South Africa. These were the countries specifically referred to although the Minister did mention emerging markets. The details will be in the Finance Bill and one hopes that this will be kept as simple as possible to ensure that businesses do avail of the incentives. At the same time the Minister might have considered extending this form of incentive to settled markets for a limited period in an effort to improve the Irish economic situation particularly from the point of view increasing employment.

For persons starting new businesses, the corporation tax exemption has been extended for another three years and will now run to the end of the 2014.

#### *No changes to income tax rates*

Business will also have been helped by the fact that there were no changes made to the income tax rates, the tax bands and tax credits thereby removing pressure from employees for salary and wage increases to compensate for same. The Universal Social Charge exemption limit has been increased to €10,036 which again eases pressure on the wages front.

On the other hand the carbon tax increase which applies to petrol and diesel from midnight on 6 December will represent additional costs to businesses.

So, in conclusion the Government's real incentives are for multinationals to increase their presence or to come to this country and for Irish businesses to look outwards.

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

For further information please contact:

#### RSM Farrell Grant Sparks

Molyneux House, Bride Street  
Dublin 8, Ireland

T +353 (0) 1 418 2000  
F +353 (0) 1 418 2044  
E dublin@rsmfsgs.ie

Church Street, Longford  
Co Longford, Ireland

T +353 (0) 43 334 1900  
F +353 (0) 43 334 1754  
E longford@rsmfsgs.ie

#### RSM McClure Watters

Number One, Lanyon Quay  
Belfast BT1 3LG, Northern Ireland

T +44 (0)28 9023 4343  
F +44 (0)28 9043 9077  
E office@rsmmcw.com