

Invitation to Make a Submission to Public Consultation on Review of the CGT Revised Entrepreneur Relief

Background

Indecon international economic consultants has been appointed to undertake an independent review of the Capital Gains Tax (CGT) Revised Entrepreneur Relief.

The overall purpose and policy objective of Entrepreneur Relief is to improve the environment for entrepreneurs and business people setting up or carrying on productive business activities in the State. A revised CGT Entrepreneur Relief was introduced in Budget 2016 and Finance Act 2015. It provided for a rate of 20% to be applied to chargeable gains arising on the disposal by an individual of business assets up to a lifetime limit of €1m. In Budget 2017 and Finance Act 2016, the CGT rate to be applied was reduced to 10% with no other changes to the terms and conditions of the Relief.

The review will involve an evaluation of the relevance, cost, impact and efficiency of the Relief, as provided for in section 597AA of the Taxes Consolidation Act 1997, and to inform government policy in this area.

The terms of reference for the review are as per the attached. In summary, the evaluation will address the following key issues/aspects:

1. Is the CGT Revised Entrepreneur Relief still relevant, including in its current format?
2. How much does Relief cost as a tax expenditure?
3. What has been the impact of the Relief?
4. Is the Relief in its current format the most efficient way to address the policy objective?
5. The evaluation will also include a comparative analysis of the Relief against the Entrepreneur Relief scheme which operates in the UK.

Submission Process

Interested parties are invited to provide written responses on any aspects of the terms of reference.

Responses should be submitted by email or post to Indecon at the contact details provided below. **A closing date for submissions of 5 July 2019 will be strictly applied, and submissions received by close of business on this date will be considered as part of the review process.**

Individuals or organisations who have already submitted material as part of the recent SME review can submit material already provided to this consultation exercise.

Taxpayers who have utilised the relief are also invited to contribute to a confidential Information Request which can be accessed by the following hyperlink

<https://www.research.net/r/EntrepreneurRelief>.

There is also an opportunity for advisers who have assisted clients to utilise the relief to contribute via a separate link as follows <https://www.research.net/r/TaxAdvisersEntrepreneurRelief>. These links provide a very important opportunity to contribute directly to the review on key issues which will be considered.

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When responding, please indicate whether you are contributing to the consultation process as a professional adviser, representative body, business or member of the public.

Publication of Submissions and Freedom of Information

Please note that the information provided in the submission form will represent an input to the independent review, and may also be shared with relevant Government Departments and State organisations. The Department of Finance may also publish on its website submissions received under this consultation. However, if you wish to submit information that you consider commercially sensitive, please identify that information in your submission and give reasons for considering it commercially sensitive. The Department will consult with you regarding such information before making a decision to disclose it.

GDPR

Indecon fully respects your right to privacy and actively seeks to preserve the privacy rights of those who share information with the Indecon. Any personal information which you volunteer to Indecon will be treated with the highest standards of security and confidentiality, in accordance with Irish and European Data Protection legislation. Personal data will be processed shall in accordance with the General Data Protection Regulation (EU) 2016/679 and the Data Protection Act 2018. A copy of Indecon's data Privacy Notice can be supplied on request to William H. Batt at Indecon (e-mail: whbatt@indecon.ie).