

TOP 8 TAX SAVING TIPS

Prologue

Here at O'Neill & Associates, we are very much an SME-focused Accounting Firm, specialising in Accountancy, Taxation, Advisory & Compliance

We've created some helpful tips on how to optimise your business, providing valuable information that can help you to succeed.

If you'd like further advice, please feel free to get in touch.



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O'NEILL & ASSOCIATES
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Top Tax Saving Tips

1. Maximise Tax Credits

There may be various tax credits that apply to you, so be sure to review and apply for them where appropriate. For example, you may be able to transfer any unused tax credits from your spouse across to you, or perhaps apply for joint assessment. If you are a single parent, ensure you are getting the SPCCC tax credit.

2. Family wages

Is your family working in the business? Where a family member is employed in the Business, they are entitled to the employee tax credit.

They can earn up to €16,500 before incurring any tax. A child living at home can earn €13,000 with no tax, PRSI or USC.

The child must make a commercial contribution to the business and must be registered as an employee of the business.

3. Tax deductions for motor/web/telephone

If you spend money on something that is for both business and private use, you can claim a deduction for part of the expense. This includes items such as phone bills and motor expenses.

4. Investing in personal pensions

Could making a pension contribution reduce your income tax liability? Contribution towards a personal pension are fully tax allowable, subject to certain limits. On maturity, your tax liability will depend on what you decide to do with your fund.

If you opt for a straightforward annuity (and assuming you take your 25% tax-free lump sum) you will be liable for income tax and USC at the normal rates on the balance of the fund.

5. Use the Small Benefit Scheme

The Small Benefit Scheme allows employers to provide a tax-exempt benefit to Irish employees of up to €500 per employee, per year. This must take the form of a benefits voucher and cannot be a cash payment.

6. EIIS

The Employment and Investment Incentive Scheme (EIIS) is a tax relief incentive scheme, whereby investors can avail of up to 40% tax relief on their investment amount and the potential for an additional return. Investments will be made into qualifying Irish SMEs.

The EII Scheme offers one of the few remaining income tax reliefs and is one of the few sources of total income.

7. Entrepreneurial relief

Entrepreneur relief reduces the standard rate of CGT from 33% to 10% for qualifying gains. The value of this relief can be up to €230,000. You can claim entrepreneur relief if you sell all or part of a business. It applies on gains up to €1m. Entrepreneur relief does not apply to investments or development land.

8. Retirement relief

This relief is available to business owners over the age of 55. The individual does not need to be retired to avail of it. The business must have been owned for 10 consecutive years prior to transfer or sale.

There are two main versions. Within the family, business can transfer/dispose of chargeable business assets. Provided certain conditions are met, no CGT will apply. If you are over 66, a limit of €3m applies.

For non-family transfers, or transfers to unrelated parties, a business can transfer/dispose of assets up to €750,000 and have no liability. If you are over 66, the limit is reduced to €500,000.



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