

## **Covid Restrictions Support Scheme FAQ**

*The information below is based on the CRSS Guidelines published by Revenue or have been provided to Fáilte Ireland by Revenue and the relevant government departments. Full details and guidelines on the scheme can be found on Revenue's website [here](#).*

*Although the answers below may assist with general queries about the scheme, all specific queries should be submitted directly to Revenue via the MyEnquiries service on ROS.ie.*

### **Frequently Asked Questions**

#### **Scheme Eligibility**

##### **How does a business qualify for support?**

To qualify, a business must:

- Be located in a location which is subject to significant Covid-19 restrictions in the 'Living with COVID-19' framework plan',
- Be carried on in a building that, due to the significant Covid-19 restrictions, has either closed to customers or is substantially restricted in operating,
- As a result of these significant restrictions, is operating at less than 25% of turnover compared to 2019,
- Intend resuming trading when restrictions are lifted.

##### **Tax Eligibility vs Exemption**

Businesses that are exempt from the charge to corporation tax or income tax under Case I of Schedule D are not eligible for the CRSS. However, businesses that are liable for tax but do not generate a profit in 2020 on which tax is due to be paid are eligible for CRSS if they meet the other relevant criteria.

##### **Do you need to be VAT registered to apply for CRSS?**

Businesses need to be eligible to pay Corporation Tax or Income Tax on profits to be eligible for the scheme, but businesses with turnover below the minimum threshold to register for VAT are still eligible for CRSS as long as they meet the other relevant criteria.

##### **Can those Employers who are signed up for the current EWSS apply for the Covid Restrictions Support Scheme?**

Yes, the CRSS is an additional measure for businesses in a region subject to significant Covid-19 restrictions. It is intended as a **further** assistance to the businesses. EWSS subsidies *are not* taken into consideration when calculating turnover to assess eligibility for CRSS.

### **Is the scheme open to self-employed as well as companies?**

Yes. The scheme will be open to companies and the self-employed carrying on a trade in a business premises where the Government restrictions directly prohibit or restrict access to the premises by customers.

### **Would a rented premises qualify as a business premises?**

Yes, a rented premises counts as a business premises and if the business activity takes place within that premises and the business meets all other relevant criteria then they will be eligible for the scheme.

### **If our business is trading at under 25% turnover due to the lack of international visitors but we are not restricted from allowing customers to enter our premises due to the restrictions in place under the Living with COVID-19 plan, are we eligible for the CRSS scheme?**

No, customer access to the business premises must specifically be restricted or prevented in your county under the Living with COVID-19 framework to qualify for CRSS. A reduction in turnover due to the lack of international or domestic tourists is not in itself enough to qualify for CRSS.

## **Seasonal Businesses**

### **Reopening after the restrictions lift**

The guidelines state that a business must intend to resume trading at the end of the period of restrictions. Businesses do not have to resume trading immediately on the lifting of restrictions, but they must remain a going concern – i.e., a seasonal business that intends to reopen in June 2021 will remain eligible for CRSS as long as they meet the relevant criteria.

## **Scheme Operation**

### **How is the weekly turnover figure calculated for eligibility purposes? Is it based on the same period in 2019 or average weekly turnover figure for 2019?**

For established businesses (i.e. businesses that commenced prior to 26 December 2019), the relevant turnover amount will be calculated by reference to turnover for the period from 1 January 2019 to 31 December 2019, i.e. the weekly average across the full 52 week period of 2019.

For new businesses (i.e. businesses that commenced between 26 December 2019 and 12 October 2020), the relevant turnover amount will be calculated based on average weekly turnover from the date on which the business commenced and ending on 12 October 2020.

### **When does the CRSS become operational?**

The scheme will run from October 13<sup>th</sup>. Registration for the scheme has opened, and claim applications can now be made on ROS. The scheme will lapse on 30 June 2021.

### **How do Businesses register for the Support Scheme?**

A two-step process is necessary to make a claim under the CRSS. The qualifying person must:

1. first register for CRSS on ROS, and
2. then complete a claim in respect of a claim period or claim periods.

### **How quickly will businesses get their payment under the CRSS and how is it paid?**

Once a county/region is subject to Government restrictions, qualifying businesses can claim in week 1 of the initial restrictive period and valid claims will be repaid for the initial period within 2-3 working days. Where restrictions are extended the system will provide the flexibility for a subsequent claim which will also be repaid within 2-3 working days, and each subsequent period will be treated the same.

### **Are there any checks and balances in place to ensure that only Businesses adversely affected benefit from the CRSS?**

To ensure that applications are processed in a timely manner, businesses will be required to make an application on a self-assessment basis. As with other schemes such as TWSS and EWSS, businesses are required to retain documentary evidence used as the basis for the application, to allow for future compliance checks by Revenue.

In addition, it is proposed to legislate:

- To allow for the withdrawal of CRSS where it is found an overpayment occurred
- To allow for a repayment of CRSS by the taxpayer where they decide to opt out
- Penalties and interest as is the case with other taxes

### **How will the tax credit work?**

The CRSS is paid as a cash payment to business in respect of **an advanced credit against trading expenses**. Recipients of the ACTE will be required to deduct it from trading expenses, when preparing their tax calculations for the year in which they receive it. In other words the credit will reduce the amount of trading expenses that are deductible in computing taxable income.

Deductible expenses include any expense which are wholly and exclusively laid out or expended for the trade (unless there is a provision disallowing it).

Examples:

- Rent
- Insurance
- Trade stock (i.e. food for restaurants, alcohol for bars etc)
- Light and heat
- Rates (mainly reduced or removed this year)
- Wages (EWSS)

### **What if a business operates from multiple locations?**

Where a business has multiple geographical trading locations it is proposed that the business will be in a position to claim for each trading premises separately.

### **What if an individual/company has multiple trades/businesses from one premises?**

Where a business has different trades in the one premises it is proposed that the business will make one claim for the ACTE.

### **Cost and Funding:**

#### **How much will the Scheme cost?**

It is accepted that the cost of the scheme will be significant. With businesses in the Accommodation, Food and Arts/Recreation/Entertainment sectors benefitting primarily in the first instance under this scheme, the potential cost of the scheme based on level 3 restrictions on a nationwide basis is c.€40 million per week.

#### **How is the CRSS funded?**

The actual cost will be determined by reference to Covid-19 restrictions. Any costs arising will be met from the National Recovery Fund.

#### **What is the economic rationale for this measure?**

The Government is acting to provide targeted, timely and sector-specific support to affected businesses. The objective is to target the sectors/locations where businesses have either been forced to temporarily close their premises or only been able to trade at significantly reduced levels as a result of restrictions. The intention of the scheme is to recognise the challenges experienced in particular by sectors that have been most affected by restrictions since the onset of the pandemic in March.