

# Securing the future of the small business community

Policy Priorities 2024



**SFA**  
Small Firms Association

## Securing the future of the small business community

### Pillar 1: Curb Business Costs

- **PRSI rebate** – To mitigate against the recent increase in the National Minimum Wage and transition towards Living Wage rates, the SFA recommends introducing a PRSI rebate for the most exposed businesses. The PRSI rebate would be based on a rebate for each worker below an agreed earnings threshold. This could be operated through Revenue’s PAYE Modernisation (PMod) system, in much the same way as the Employment Wage Subsidy Scheme.
- **Stress test check regulations** – Develop a more rigorous Government SME Stress Test on regulations.
- **Transition towards the Living Wage** – Introduce an enterprise support schemes to assist small businesses to transition pay rates towards ‘Living Wage’ rates. Such a scheme, based on the proportion of low wage workers in a firm’s wage bill, could provide a temporary subsidy to qualifying employers.
- **Tackle high insurance costs** – Combat the substantial increase in employer and public liability insurance and related legal costs.
- **Reform commercial rates** – SFA calls on Government commitment not to increase commercial rates for businesses.
- **Improve access to finance** – Improve access for small business and small business startups to bank and non-bank finance, via the Strategic Banking Corporation of Ireland and Micro Finance Ireland schemes.

### Pillar 2: Ease the tax burden

- **Cut capital gains tax** – Reduce the General Capital Gains Tax (CGT) rate from 33% to 20%. Increase the lifetime limit for CGT Entrepreneur Relief to €5 million.
- **Angel investor relief** – Simplification is required for the relief to be available to all trading and professional service businesses. The SFA wants to reduce the rate of income tax on dividends to 25% on first €30,000 dividends per annum per person.
- **Employment Investment Incentive Scheme (EIIS)** – Allow the EIIS to apply the relief to PRSI and Universal Social Charge. Allow capital losses, net of tax relief already received, incurred on EII investments.
- **Talent retention assistance** – the SFA recommends the following:
  - Employer Pension contributions – remove salary sacrifice (PAYE - salary and bonus provisions) if employee wishes to fund pension.
  - Allow the Small Benefit Exemption to be made up to a value of €2,000 per annum.
  - Introduce a workable share scheme for small businesses considering the reasons the company awards shares to employee (e.g., employee retention, employee development within the business etc).
- **Tax administration, interest and penalties** – Review fixed penalties for businesses.
- **Tackle warehouse debt** – To support repayment of Covid-19 warehoused debt, small firms must be able to avail of advice and financial support on how to develop a repayment plan.
- **Tax credit reform** – Maintain the Earned Income Tax Credit that has been equalised with the PAYE credit.

## Securing the future of the small business community

### Pillar 3: Upskilling supports for the 21st Century

- **Introduce a national training voucher scheme** – The introduction of a National Training Voucher scheme has the potential to boost in-company training and widen participation in upskilling and reskilling to include all businesses and employers. Based on the principle of cost reimbursement, businesses should be able to claim back expenses for training costs during the year undertaken with an accredited education and training provider.
- **Research & development tax credit** – Simplify the administration procedure for the R&D Tax credit. Action the R&D tax credit recommendations of the Commission on Taxation and Welfare that would see more guidance and supports introduced to facilitate greater uptake by small firms more generally.
- **Boost small business productivity** – Introduce targeted supports to enable indigenous businesses to invest in innovation and productivity. Expand the Enterprise Ireland Innovation Voucher Scheme value to €10,000 to encourage higher levels of research and development.
- **Upskill and level-up** – Unlock the €1.5 billion surplus of the National Training Fund to launch an industry-led investment campaign that will deliver the key skills such as digital society, climate action and Industry 5.0. SFA also calls for strengthening small business owners' leadership and management capabilities through productivity-boosting training and supports provided by MentorsWork, Local Enterprise Offices (LEO) and Enterprise Ireland.

### Pillar 4: Enable prosperity for tomorrow

- **Achievable transition to green economy** – Set clear, definite and time sensitive environmental targets for small businesses. Provide small businesses with additional state supports to identify and exploit opportunities to transition to the green economy.
- **Enable more accessibility for employees with disabilities** – Expand the 'WorkAbility' programme, which currently aims to support 5,000 people with disabilities into education and employment. The SFA wants the funding to be increased to allow more people with disabilities to access work with SMEs through the programme.
- **Enhance digital opportunities and neutralise cyber security threats** – The SFA wants the Government to continue to promote digital literacy for small businesses via the 'Harnessing Digital: The Digital Ireland Framework'. The programme needs to be expanded beyond 2026, when the programme is due to conclude.
- **Upgrade infrastructure** – Address issues such as childcare, housing, transport links and broadband to ensure competitiveness among small businesses.





**SFA**  
Small Firms Association

Securing the future of the  
small business community

Small Firms Association, 84/86 Lower Baggot Street, D02 H720  
**Email:** [info@sfa.ie](mailto:info@sfa.ie) **Web:** [www.sfa.ie](http://www.sfa.ie)