

Minutes
Indirect TALC Meeting
2.30pm, Tuesday 21 October 2025
Hybrid Meeting: Conference Room, Bishop's Square, Dublin 2 and online via Microsoft Teams (hosted by Revenue)

This was a special meeting convened to facilitate a technical briefing for TALC members on the recently published Finance Bill 2025 (as initiated). This was the only agenda item.

Briefing on the Finance Bill and Budget Announcements

Revenue provided a briefing on Parts 2 (Excise) and 3 (Value-Added Tax) of Finance Bill 2025 which was published on 17 October. The briefing was provided on a section-by-section basis, including:

Excise

- Restriction of reliefs from Natural Gas Carbon Tax (NGCT) and Solid Fuel Carbon Tax (SFCT), for fuels used for electricity production in an installation covered by a greenhouse gas emissions permit. This restriction is required to support Ireland's application for derogation from the EU's Emissions Trading System 2.
- Budget night increase of 50 cent (inclusive of VAT) on a packet of 20 cigarettes, with pro-rata changes for other Tobacco Products. This measure was enacted by Financial Resolution and will be confirmed through the Bill.
- A number of amendments to Betting Duty legislation, mainly consequential on the Gambling Regulation Act 2024. These are to ensure clarity for industry and to facilitate the smooth transition of functions to the Gambling Regulatory Authority (GRAI).
- Clarifications concerning claims for betting duty relief, including requirement for electronic returns.
- Correction of VRT legislation to include Northern Ireland in the provisions for temporary exemption from registration for company vehicles brought into the State by an individual established here. Revenue practice continued to allow temporary exemption in such cases following Brexit, but the matter was inadvertently omitted from the 2020 legislation.
- The VRT relief of up to €5,000 for Electric Vehicles is being extended for a further one year until end 2026.

VAT

- Alignment with the SME Directive of the VAT turnover calculation requirements for farmers when reviewing registration thresholds, and the inclusion of turnover from supplies of a kind specified in an order under section 86A in the calculation.

- Extension of the temporary application of the second reduced rate (9%) to gas and electricity until 31 December 2030. This measure was enacted by Financial Resolution and will be confirmed through the Bill.
- Application of the 9% rate of VAT to the supply of certain apartments as part of a social policy. Under a Budget night Financial Resolution, application of the 9% rate came into effect on 8 October 2025 and is scheduled to run until 31 December 2030.
- Application of the 9% rate of VAT to the supply of food and drink supplied in the hospitality sector (excluding soft drinks and alcoholic beverages, but including hot tea and coffee), and to the supply of hairdressing services.
- Application of the standard rate of VAT on the hire of rooms in hotels and guesthouses for use other than as accommodation.
- Decrease in the rate of the Flat-rate Addition from 5.1% to 4.5% from 1 January 2026.
- The removal of the VAT on property waiver of exemption provisions, and the cancellation of all waivers from the date of passing of the Finance Act 2025.
- Clarification of the penalty provisions related to the Central Electronic System of Payment information (CESOP) regarding reporting data on certain cross-border payments.
- Confirmation that the supply of financial services, which consist of the managing of the Automatic Enrolment Retirement Savings System, are exempt from VAT.

Revenue addressed queries from all three representative bodies. The queries covered several matters including:

- The representative bodies indicated that they had received most queries from their members regarding the scope of the application of the 9% VAT rate to apartments. It was noted that some had engaged with the Department of Finance since the Budget day announcement and Financial Resolution, seeking extended application of the 9% rate to cover a wider range of scenarios for apartment development, including site and build contracts, forward funding arrangements and construction of apartments. In support of this, the Law Society explained that the number of apartments sold singly by developers is very low. While noting that such matters were under policy consideration by the Department, there was discussion within TALC about various aspects of the existing FR and FB provision, and Revenue addressed queries from the practitioner bodies relating to the scope (supply of apartments either singly or in multiples), blocks of apartments, retail units (excluded from the scope) etc, and the meaning in the legislation of the phrase “social policy”.
- There was a discussion about the correct rate of VAT for the hire of a room (for use other than as accommodation, e.g. conference facilities) in hotels and guesthouses. Revenue advised that the standard rate will apply.

Revenue drew attention to the Minister's Budget speech announcement regarding the scope and timeline for Ireland's VAT Modernisation including implementation of the ViDA provisions on electronic invoicing and digital reporting. Details of the approach were set out by Revenue the following day in a paper entitled "VAT Modernisation: Implementation of eInvoicing in Ireland". A meeting of the VAT Modernisation Subgroup is scheduled for Friday, 24th October.

Revenue confirmed that, as normal, TDMs will be reviewed and, where appropriate, refreshed in light of updated legislation.

As a general point, it was noted that the TALC discussion was a technical briefing, and that the published Bill reflects policy decisions that have been taken at Ministerial and Government level.

Next meeting

The next meeting of the group is the normal quarterly meeting, which is scheduled for 19 November.

Attendees

Consultative Committee of Accountancy Bodies - Ireland

Mairéad Hennessy (attended virtually)

Noreen Lehane (attended virtually)

Irish Tax Institute

Oonagh Carney (attended virtually)

Alma O'Brien (attended virtually)

Finbarr O'Connell

Lorraine Sheegar

Law Society

Matthew Broadstock (Chairperson)

Donal Kennedy

David Lawless (attended virtually)

Patricia McCarvill (attended virtually)

Revenue

Anne Dullea

Chad Egan

Ita Foster

Deirdre Hanlon*

Amy Prendiville (Secretary)

Emma Rafferty

*Designated Public Official, *Regulation of Lobbying Act 2015*