

[4.1.10] Employment Grants and Recruitment Subsidies

Extract from Tax Briefing, Issue 26 (April 1997). General

The tax treatment of grants which are received by traders depends on the nature of the grant involved. Where a grant is of a capital nature it is not taken into account in arriving at trading profits but reduces the amount of expenditure which qualifies for capital allowances. Allowable costs for Capital Gains Tax purposes are also reduced by the amount of capital grants.

Grants of a revenue nature should be included when calculating trading profits. Where a payment is received which increases a trader's income or reduces the trader's revenue expenditure it is normally of a revenue nature and accordingly is liable to Income Tax or Corporation Tax as appropriate.

Employment Grants and Recruitment Subsidies

These payments are of a revenue nature and accordingly are liable to Income or Corporation Tax unless specifically exempted by tax legislation. A summary of the sections in the Finance Acts which provide exemption and full details of the payments exempted by each section is contained in [Tax Instruction Part 07-03-01](#).

JobsPlus

An employment incentive scheme called JobsPlus commenced on 1 July 2013. The scheme is administered by the Department of Social Protection and consists of direct payments to employers who take on individuals who have been long-term unemployed. Payments are made monthly in arrears over a 2 year period. The scheme is available to all employers in the private, commercial semi-state, community, not-for-profit and voluntary sectors. It is not open to public service employers. Payments made to an employer under JobsPlus are disregarded for the purposes of the Tax Acts i.e. they are exempt from tax and PRSI.