

8th May 2009

FINANCE BILL EXTENDS DEADLINE TO BOOST MIDLANDS
Welcome extension for Mid Shannon Corridor Tourism Infrastructure
Investment Scheme



The legislation implementing the changes announced in April's supplementary budget was published on Thursday. It also introduced a welcome measure not flagged on Budget Day, being an extension to the deadlines for tourism projects in the Shannon Region. The Shannon Corridor Scheme was introduced in 2007 to provide tax relief for expenditure on certain tourism facilities in the Mid-Shannon area.

As originally introduced, projects had to formally apply by 31st May 2009 for approval and had to have a planning application submitted by then. Naturally in the current climate there has been little uptake of the Scheme. The 31st May 09 deadline has been pushed out to 31st May 2010. In addition, the time frame in which the expenditure must be incurred has been extended to 31st May 2013.

The scheme, designed to act as an incentive for both new development and refurbishment of tourism infrastructure in the Midlands in the counties of Clare, Galway, Tipperary, Offaly, Westmeath and Roscommon, applies to tourism buildings such as facilities for watersports, boat rental and inland cruising, health spas, equestrian and other cultural facilities.

Commenting on the extension Jackie Masterson, Taxation Partner with Russell Brennan Keane said "While we have met with a number of parties interested in the Scheme, the 31 May 2009 deadline was proving prohibitive in the current climate – in this regard, the 1 year extension is very welcome.

"Successful applicants have the option of claiming the tax allowances themselves as a means of reducing their own tax bill annually or can use the incentive as a means of financing their project. However difficulties in attracting investors will still remain a challenge not only because of the banking crisis but also because the scheme still requires investors to be locked in for a 15 year period" said Jackie. The 15 year holding period did not change in the Finance Bill despite lobbying. There appears little the Minister could do in this regard without going back for EU approval.

For further information or to discuss your specific requirements confidentially, please contact Jackie Masterson on +353 (0)90 6480600 or by email jmasterson@rbk.ie.

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About RBK

Russell Brennan Keane is one of Irelands leading business advisory and accountancy firms. With 50 years experience providing professional advisory services to a range of clients in the mid to large corporate market in Ireland, from offices in Dublin, Athlone and Roscommon.

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