

Tax Advice for Small Start Up Companies

**Presented by
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Outline

- Legal Form
- Tax Registration & Compliance
- Funding
- Revenue Commissioners
- Remuneration & Tax Free Payments
- R&D Tax Credits/ IPR reliefs
- Cashflow
- Tax Tips

Legal Form

- Operate as a Soletrader
- Set up as a Partnership
- Incorporate a Limited Liability Company

Tax Registration & Compliance

- Income Tax/Corporation Tax
- VAT : €37,500/€75,000
Bi-Monthly/Quarterly returns
Cash receipts/Invoice basis
- PAYE/PRSI - as employer
- tax credit certs for employees

Funding

- Seed Capital – yours! – Seed Cap Relief
 - family & friends
- Bank loan & working capital facilities
- Grants
- Business Expansion Scheme (BES)

Revenue Commissioners

- Keep proper books and records
- Invoicing
- Tax returns and payments
- Revenue Audits

Remuneration & Tax Free Payments

- Soletrader/Partner - drawings
- Company – director salary
dividend
Mileage/subsistence
- Employ spouse/form partnership
- Motor expenses

R&D Tax Credits/ IPR Reliefs

- 25% R&D tax credit for qualifying expenditure
- Tax credits/tax refunds
- Revenue Commissioners/DETE

- Patent/Royalty Income exemption
- R&D work carried out in IRL/EU
- Licence worldwide

Cashflow

- Business plan and budgets :
 expected sales (when paid!) less costs
 incurred = cashflow
- Drawings/salary < cash
- Set-aside VAT and IT/CT liabilities

Successful Cash Flow Management

1. Regular monitoring
2. Debt collection
3. Creditors
4. Stock control
5. Short term funding vs. long term funding

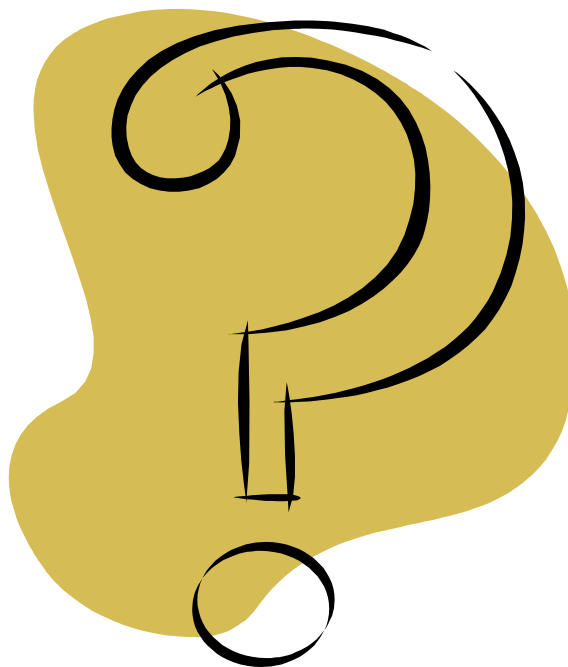


Tax Return Tips

- **File your return on time!**
- **Employ your spouse/form a partnership**
- **Rent your premises to your partnership/company and shelter the rental income**
- **Claim tax refunds on medical expenses, home loans etc**
- **All-income shelters :Hospitals, nursing-homes, film, BES etc**
- **Claim tax relief on interest on loan to your company**
- **Pension contributions**

- **GET PROFESSIONAL ADVICE!!**

Questions & Answers



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