Debt Warehousing scheme – Payment of Warehoused Debt – 1 May 2024

Summary
The Debt Warehousing Scheme was introduced in May 2020 to provide a vital liquidity support to businesses coping with the impact of the COVID-19 pandemic. The scheme allowed businesses to temporarily 'park' eligible taxes on an interest-free basis. After the interest-free period, a reduced interest rate of 3% was to be applied but this has now been reduced to 0%.

At end February 2024, there is €1.68 billion in the warehouse for 35,652 customers with warehouse debt balances greater than €100. Of these 35,652 customers, 52% (18,332) have a balance less than €5,000. The bulk of the debt is warehoused by 5,162 customers with balances greater than €50,000, totalling €1.44 billion. The three sectors with the highest debt remain Retail, Accommodation and Food Services, and Construction sectors.

Payment of Warehoused Debt – Action required
Revenue is firmly committed to supporting viable businesses that have warehoused debt and will take a flexible and pragmatic approach to the payment of same, having regard to the financial circumstances of each business and their capacity to pay. Businesses have until **1 May 2024** to put a plan in place to address their warehoused debt. There is no expectation on businesses to have all the warehoused debt paid in full by 1 May. The payment options available to customers with warehoused debt include one or more of the following:

1. Pay some or all of debt through one of Revenue's online payment channels, where financial capacity permits.
2. Request that refunds due are offset against the warehoused debt.
3. Agree a Phased Payment Arrangement (PPA) to pay the debt over an agreed period of time, further details below. This option is only available for balances greater than €500.

Key Condition to retain benefits of Debt Warehousing going forward
The key condition to retain the benefits of the Debt Warehousing Scheme, including flexible payment options and the 0% interest rate on the debt, is that businesses continue to file and pay current taxes as they fall due. The consequence of not meeting this condition is that the warehouse facility is revoked, which will result in the standard interest rate of 8%/10% applying and the immediate collection or enforcement of all outstanding debt. This will also impact the issue of a tax clearance certificate if required for the business.

The advice remains that where a business encounters difficulties in relation to current tax obligations, the business should engage with Revenue as soon as these difficulties arise so that a mutually acceptable solution can be found, that will address current tax difficulties in addition to agreeing a plan to address the payment of warehoused debt going forward.

Phased Payment Arrangements (PPA)
Where a business requires a PPA to address their warehoused debt**, it is essential they submit their payment proposal via the PPA facility on Revenue Online Service (ROS) in advance of 1 May 2024.** The payment proposal will include a proposed downpayment amount, monthly payment amounts and duration in addition to the upload of the required supporting documentation. Business should do this now to allow time to agree the optimal payment plan to suit the business individual circumstances.

Revenue's PPA facility provides considerable flexibility to agree a payment plan tailored to the business circumstances and capacity to pay, which include a reduced downpayment to commence the arrangement; availability of an extended payment duration, and where necessary the availability of payment breaks and payment deferrals if temporary cash flow difficulties arise during the arrangement term.

Customer Support and Guidance
Businesses can contact Revenue's Collectors Generals Division on 01-7383663 or through the online MyEnquiries service to discuss their warehoused debt and suitable payment options.

Further guidance on the PPA facility and Debt Warehousing is available at www.revenue.ie.