An Analysis of Debt Warehousing in Tourism

May 2024 Update
Debt Warehousing was introduced to assist businesses experiencing cash-flow and trading difficulties during the COVID-19 pandemic. Under the Scheme, businesses could defer paying the following tax liabilities:

- VAT
- PAYE/PRSI/USC (“PREM”)
- Temporary / Employment Wage Subsidy Scheme (TWSS & EWSS) overpayments
- Income Tax liabilities (subject to qualifying criteria)

At the peak of the Scheme, €3.1bn of debt was warehoused with 105,000 businesses across the entire economy availing of the initiative.
Accommodation & Food Services – Position as of May 2024

➢ The Accommodation & Food Services sector’s outstanding warehoused debt balance from the pandemic stood at €27m as of May 2024.

➢ Some 90% of the debt owed in January 2024 has now been addressed either by full payment or entering a payment plan with Revenue.

➢ 116 businesses still owe at least €50k (down from 900 in January)

➢ Almost half (54) of these owe €100k or more (down from 500 at the start of the year).

➢ Revenue issued demands to those businesses with outstanding liabilities of €500 or more. The notices outline the tax(es) due by the business and requested the business to engage with Revenue by May 15th to formulate a payment plan.

➢ They also detail the consequences of continued non-engagement, including enforcement action.

➢ Businesses that had not engaged by May 15th, 2024, are now subject to standard enforcement proceedings.

➢ This means the 0% interest rate and flexible payment options which applied in respect of warehoused debt will no longer be available.

➢ Instead, 8% or 10% standard interest rates will apply.
Accommodation & Food Services – Position as of May 2024

€27m in outstanding warehoused debt across the Accommodation & Food Services sector as of May 2024

414 businesses owe €5k - €50k

.... 116 owe €50k+
  of which....

.... 54 owe €100k+

Source: Revenue