



Retailers call for tax fairness measures in Budget 2019

Online supports sought in an increasingly boundary-less retail environment

Retail Excellence, the largest retail organisation in Ireland, is today calling for targeted solutions for retailers in Budget 2019. In an increasingly boundary-less retail environment the representative body are seeking additional online supports and tax fairness measures to protect retailers from the onslaught of cheap, non-European imports.

In their Budget 2019 submission titled "Retail: Sustaining and Growing an Economy", Retail Excellence are also seeking a general cut in consumption taxes, a reduction in the cost of doing business, increased funding to get retailers online, increased infrastructural investment, Garda resources, town renewal funding, investment in the Home Renewal Scheme, introduction of measures to increase our competitiveness and improved access to finance.

Chief Executive of Retail Excellence Lorraine Higgins said: "Despite record numbers back at work Irish retail remains vulnerable. Traditionally, a booming economy would mean increased spend in retail outlets but consumer habits have changed and we must react accordingly. This is precisely why Budget 2019 demands retail focused solutions".

"One of the single biggest threats to bricks and mortar stores in Ireland and, consequently the retail mix and vibrancy of our town centres, is the glut of cheap, non-European imports being bought by Irish consumers online. The prices of these goods and products are generally distorted as many distance sellers are not registered for VAT in Ireland and therefore do not apply same or duties to the product price which leaves our retailers at a competitive disadvantage. Consequentially, this is a tax fairness issue".

"In our Budget 2019 submission we outline a suite of measures aimed at ensuring tax fairness for retailers. We recommend online marketplaces are held jointly and severally liable for the collection of VAT and duties from distance sellers and that all online advertisers acquire an Irish VAT number. We also propose that VAT and duties exemptions on imported products are discontinued".

Retail Excellence have also called for increased funding under the Digital Trading Online Voucher scheme to enable more retailers get online and have called for support to help Irish retailers fulfil their export potential. Specifically, they are seeking linguistic, logistic, network and market support in other jurisdictions akin to that which is afforded to manufacturing and processing companies.

“While Irish retail attracts less fanfare than foreign direct investment and export focused businesses it would be remiss of Government to ignore the far-reaching tentacles of the industry and its sectors which contributes to micro-economies in every village, town and city in this country. Irish retailers operate 42,000 businesses with 282,000 employees directly and contribute €7 billion to the Exchequer on an annual basis. Therefore, the significance of retail must not be under-estimated”.

“Our Budget 2019 submission seeks to provide a clear set of solutions which we feel are critical to ensure an upward economic and employment trajectory for the betterment of all of Ireland, both urban and rural” Lorraine Higgins concluded.

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Editors Notes

€850,000 is spent online every hour by Irish consumers.

Two-thirds of all online spend (over €14 million per day) is fulfilled by businesses operating outside of Ireland which is hurting retailers but also the Exchequer in lost VAT, corporation tax and general taxes.

84% of Irish consumers will buy frequently online by 2021 according to the Department of Communications.

Presently, three-quarters of Irish websites are not ecommerce enabled meaning that businesses cannot take orders or process payments on their platforms – IEDR figures

22% of Irish businesses have no online presence - IEDR figures

€602 billion will be spent online by European consumers this year.