

Mid Shannon Tourism Investment Scheme

Frequently Asked Questions

Overview

What is the Mid Shannon Tourism Investment Scheme (MSTIS)?

The MSTIS is a special initiative aimed at stimulating and encouraging sustainable investment along the River Shannon Corridor. The MSTIS which is aimed predominantly at the micro, small and medium tourism sector, is a tax measure aimed at stimulating tourism investment by providing accelerated capital allowances. The central objective is the sustainable development of new tourism infrastructure, or the refurbishment of existing tourism infrastructure, with a view to increasing the inflow of tourist visitors to the area. The Government have set out a tourism investment corridor along the mid Shannon area an area where investment will be eligible. (See 'What areas does it cover' below)

Is it a grants scheme?

No, this is not a grants scheme. It is a tax measure introduced in the 2007 Finance Act which allows accelerated capital allowances for agreed and specific capital investment in a range of tourism projects.

Is there a required minimum investment or maximum investment?

No, there is no required minimum investment or spend in order to qualify for the MSTIS, except in the case of refurbishment where a minimum of 20 per cent of the market value of a building or structure must be expended in the qualifying period.

What geographic areas does it cover?

The scheme covers specific designated areas in the following six counties: Clare, North Tipperary, Galway, Offaly, Roscommon and Westmeath. The first step in determining if you are eligible is to check the name of the townland where the proposed investment will take place and see if it is listed as one of the eligible District Electoral Divisions (DEDS). A listing of the eligible DEDs can be found on the web links under 'Further Information' below. A map can also be found at this web link.

How long does the scheme operate for?

An extension to the Scheme was provided in the Finance Act 2009. The deadline for receipt of applications for approval in principle is now **31 May 2010**. The period within which expenditure must be incurred for capital allowance purposes has also been extended, and will now end on **31 May 2013**.

Eligibility

Who decides on the eligibility?

The Minister for Arts, Sports and Tourism has established a Mid Shannon Tourism Infrastructure Board whose responsibility it is to consider all applications and data submitted. The Board has statutory powers to make decisions in advance of any work commencing on approval and certification of construction and refurbishment of buildings or structures under the MSTIS.

All proposals which are seeking to avail of the MSTIS must seek approval under the pre-certification process, prior to commencing construction or incurring expenditure. The Scheme also requires that your application for pre certification process is submitted in conformance with the Schemes guidelines before 31st May 2010. (See pre-certification application period)

What investment and product categories are eligible under the MSTIS?

The guidelines and the legislation as enacted in the 2007 Finance Act lists the specific types of activities and associated works that are eligible. The specific details for each of the headings are set out on the web (See further information section below)

The eligible works headings are as follows:

- Education tourism facilities
- Visitor attractions/centres
- Cultural facilities
- Wellness and self development amenities and facilities
- Equestrian facilities
- Facilities for water-sports activities
- Training facilities for adventure activities and/or simulated facilities
- Facilities for boat rental and inland cruising
- Outdoor activity centres
- Certain restaurants and cafés
- Registered holiday camps

The relief only applies to buildings and structures. Relief is not available for improvements to land (e.g. walkways, landscaping etc).

Does the MSTIS cover new build or refurbishment?

The MSTIS scheme covers the development of new facilities and the refurbishment of existing facilities as outlined above. In the case of refurbishments, the project expenditure must exceed 20% of the market value of the property before work commences.

Is accommodation eligible?

In certain circumstances where accommodation is constructed as part of a wider development and where it meets all of the requirements under the guidelines, accommodation can be eligible. The development of Holiday Camps which comprise recreation, accommodation for a minimum of 50 people and central

dining and reception facilities is eligible. However, accommodation which is registered stand alone accommodation such as hotels, guesthouses, holiday hostels and camping and caravanning parks are excluded from the scheme.

Are Golf Courses eligible?

No, golf courses and other alterations to land are ineligible. (Golf clubhouses however, may be eligible).

What else is ineligible?

As this is a tourism scheme, projects which are intended primarily for a local residents' market are not eligible. In addition, the legislation specifically excludes certain other premises:

- Industrial buildings
- Facilities for gambling, gaming or wagering of any sort
- Licensed premises
- Plant and machinery, as they may already qualify for tax relief in their own right

Can I receive other grants for my project?

If any part of the construction or refurbishment expenditure is met directly or indirectly by the State or any State bodies (e.g. by a tourism capital grant or BES funding) then it cannot also qualify for relief under the MSTIS scheme.

However, other parts of your overall project may be eligible for other State supports (e.g. a feasibility study from a County Enterprise Board)

When is tax relief granted?

Tax relief is granted only when the Board has, after the expenditure has been incurred, certified in writing that the construction and/or refurbishment has been carried out in accordance with the set criteria having regard to any relevant conditions imposed. The Board must confirm the coming into use of the development concerned. If for some reason, such as delay in construction, a development is not fully completed by the termination date of 31st May 2013, relief is confined to expenditure incurred before the termination date, and may only be granted on completion and coming into use of the total project.

It should be noted that **the ultimate decision to allow, withhold or claw-back capital allowances under the Scheme rests with the Revenue Commissioners.**

Application

How do I make an application?

Fáilte Ireland and Shannon Development have been appointed to promote and administer the scheme. In the first instance applications must be submitted through Fáilte Ireland or Shannon Development depending upon the location of the proposed development. The address for applications is listed below.

Both Shannon Development and Fáilte Ireland strongly advise that prior to submitting a formal application, you should read the 'Mid Shannon Scheme Application Guidelines' document on the web. (see 'Further Information' below) This lists in detail all the steps that must be taken and the information required in submitting an application through Shannon Development or Fáilte Ireland for onward consideration by the Mid Shannon Tourism Infrastructure Board.

Pre-certification Application Process

Prior to commencing any construction, project promoters must submit a detailed application to the Mid Shannon Tourism Infrastructure Board. The application process is set out in detail on the application guidelines process on the Fáilte Ireland and Shannon Development websites. Please note that a valid application for full planning permission must have been made to the local authority concerned prior to applying for pre-certification (See further information)

When is the deadline for Pre-certification applications?

Applications under the pre-certification process must be submitted prior to the 31st May 2010. Any application received after that date cannot be considered by the Board.

What information needs to be submitted with an application?

There are a number of requirements in submitting an application and these are set out under the Mid Shannon Scheme Application guidelines which can be found on the Fáilte Ireland and Shannon Development websites (see 'further information' below).

The main points to note are:

- Details, Description and Project Outline
- Confirmation of planning application to County Council
- Proposed capital expenditure outline
- Details of contribution to tourism development
- How the project meets national and regional tourism objectives
- Environmental and design information
- Nature and extent of accommodation

However project promoters are advised to read the details of the scheme and to take independent professional advice and to consult with either Shannon Development or Fáilte Ireland as appropriate before submitting an application.

Other Matters

State Aid Regulations

The terms of the agreement on the scheme finalised with the European Union places restrictions on the level of aid that may be permitted for large scale projects under the MSTIS.

Planning Permission

For the pre-certification process, it is a requirement to have submitted an application for full planning permission to the relevant local authority for your development, prior to making an application to the Mid Shannon Tourism Infrastructure Board. Again Fáilte Ireland and Shannon Development would recommend that prior to submitting your planning application, your professional advisor would engage in preplanning discussions with the Planning Department concerned.

Suggested Reading

In formulating a business plan and in preparing your project concept, there are a number of documents that you should consider reading including:

National Tourism Policy as laid down in “**New Horizons for Irish Tourism – An Agenda for Action**”.

http://www.arts-sport-tourism.gov.ie/pdfs/tourism_review_report.pdf

Fáilte Ireland's Tourism Product Development Strategy 2007-13

<http://www.failteireland.ie/getdoc/cbfcd692-3336-4d27-8dab-8cdb67bf40ea/Tourism-Product-Development-Strategy--2007---2013.aspx>

The relevant **Regional Tourism Strategy** including the **Shannon Region Tourism Strategy 2008-2010** (available from

<http://www.shannondevelopment.ie/Tourism/TourismPublications/>) and the

applicable **Fáilte Ireland Regional Strategy** (available from

<http://www.failteireland.ie/Our-Regions>)

Other documentation includes Fáilte Ireland's Environmental Action Plan (available from [http://www.failteireland.ie/Word_files/research/Failte-Ireland-s-Environmental-Action-Plan-200-\(1\)](http://www.failteireland.ie/Word_files/research/Failte-Ireland-s-Environmental-Action-Plan-200-(1))) and Tourism Ireland's Brand and Marketing Strategies (available from www.tourismireland.com).

Further Information

Where can I get further information?

Shannon Development and Fáilte Ireland have uploaded detailed information relating to the scheme on the web. The addresses are:

www.shannondevelopment.ie/Tourism/MidShannonTourismInvestmentScheme/

and

www.failteireland.ie/Developing-Enterprises/Investment-Support/Tax-Schemes

Complete details regarding the criteria for the Mid Shannon Scheme can be found in the “Guidelines on Approval and Certification for the Mid Shannon Tourism Infrastructure Board” issued by the Minister for Arts, Sport and Tourism in consultation with the Minister for Finance which can be viewed and downloaded at <http://www.arts-sport-tourism.gov.ie/> or from the agency websites. It is essential that all applicants fully familiarize themselves with, and follow the requirements set out in, these Guidelines.

Contacts

Fáilte Ireland and Shannon Development would welcome the opportunity to discuss your project with you in advance of any formal submission being received.

Who can I contact to discuss my proposal?

Shannon Development

*For Clare, North Tipperary
& South Offaly:*

Ruairí Deane

Tel 061 710228

DeaneR@shannondevelopment.ie

Fáilte Ireland

Gordon Gaffney

Tel 01 6024283

Gordon.gaffney@failteireland.ie

For Westmeath & North Offaly:

Mark Rowlette

Tel 044 9350118

Mark.Rowlette@failteireland.ie

For Galway & Roscommon:

Eva Dearie

Tel 091 537763

Eva.Dearie@failteireland.ie

Where do I send my application?

Applications must be submitted in the required format by e-mail. Supporting documentation, as required, should be included as scanned attachments. A signed copy of the covering letter and relevant declarations should be forwarded by post.

**Mr. Ruairi Deane,
Mid Shannon Tourism
Investment Scheme,
Shannon Development,
Shannon Town Centre,
Shannon,
Co Clare**

DeaneR@ShannonDevelopment.ie

**Mr. Gordon Gaffney,
Mid Shannon Tourism
Investment Scheme,
Fáilte Ireland,
Baggot Street Bridge,
Dublin 2**

Gordon.gaffney@failteireland.ie

Deadline: 31st May 2010 5.30pm

NOTE:

Both Fáilte Ireland and Shannon Development strongly recommend that you seek the professional advice from qualified personnel such as an accountant or tax advisor at an early stage. As this scheme is essentially a tax scheme, each project and individual or companies circumstances will be different and its is imperative that project promoters take independent specialist accountancy and tax advice in respect of any potential investment.