PRE-BUDGET 2026

SUBMISSION

Fuelling Growth
Through Innovation and Infrastructure Delivery

www.sandyford.ie

INTRODUCTION

Sandyford BID CLG (SBID), a not-for-profit organisation formed in January 2017, is governed by a dedicated pro-business voluntary board. Established after a successful plebiscite with businesses in Sandyford Business District (SBD), the organisation ensures that every business, big or small, has an equal vote.

The company supports businesses in SBD and those looking to relocate or invest there. Sandyford BID CLG envisions SBD as a world class, vibrant, and sustainable mixed-use area, and advocates for more amenities, including green spaces and active frontages, supported by cycleways and better access within SBD.

SBD spans 190 hectares (Drummartin Link Road to the west, Foxrock to the east, Kilmacud to the north, Leopardstown to the south), with over 1,000 companies and modern offices serving thousands of workers. The current office population is 26,000, with potential to reach 48,500, and recent housing developments have grown the residential base. Sandyford BID CLG supports further office and housing expansion to drive commercial growth, a night-time economy, and a more sustainable neighbourhood.

SBD is home to a mix of both Foreign Direct Investment (FDI), enterprise-level companies, and indigenous SMEs, and it is on their behalf, and that of the existing residential population of approximately 6,000, that we make this submission. It is a microcosm of the national commercial scene, with over 70% of companies of an SME nature, complimented by a smaller number of enterprise-level and FDI companies who are responsible for large employment numbers. FDI has long supported Ireland's economic growth, enabling SBD to thrive. However, greater focus is needed on indigenous SMEs to foster a sustainable economy and support their growth and innovation nationally and internationally.

For Budget 2026, Sandyford BID CLG advocates for government investment in the following strategic areas:

- Fostering start-up growth through incubation and innovation hubs
- Developing housing to attract and retain a high-skilled workforce
- Investing in critical transport and infrastructure for sustainable growth
- Reducing business costs to enhance competitiveness

SECTION 1
DRIVING COMPETITIVENESS AND INNOVATION

SUMMARY OF RECOMMENDATIONS

Sandyford BID CLG calls on the Government to:

Introduce targeted tax incentives, co-investment schemes, and grants for the set-up and scaling of incubation and innovation hubs.

Expand the Connected Hubs network to include more SMEs, enhancing digital skills training and education to support broader growth.

Fully utilise resources from corporations and FDI to support SME innovation.

Maintain the R&D tax credit to create tailored business enhancement programmes for SMEs and promote innovation.

Reform the Grow Digital Voucher scheme to provide higher levels of grants to help businesses implement digital transformation projects.

Promote the Enterprise Ireland Market Discovery grant scheme to support take-up in support of market diversification.

COMPETITIVENESS AND FOREIGN DIRECT INVESTMENT

Amid ongoing geopolitical tensions and economic uncertainties, Ireland faces a period of rapid transformation. To navigate these challenges and foster sustainable growth and innovation, which are critical to a prosperous future, Sandyford BID CLG recommends that the government support innovation and digitalisation to drive competitiveness.

Sandyford BID CLG remains concerned that Ireland's competitiveness challenges have not been fully addressed by the Government despite an acknowledged overreliance on corporate tax revenue to fund current expenditure. This month's trade deal between the EU and US, introducing a 15% tariff on most EU imports to the US, adds significant uncertainty for many industries in Ireland. Export-focused businesses, particularly in manufacturing, pharmaceuticals, and agri-food, now face increased costs and potential loss of market share, placing additional pressure on Ireland's ability to attract and retain foreign direct investment (FDI).

Remaining competitive in a shifting global trade landscape must be at the forefront of Government budget decisions. While recent tax reforms, including the adoption of the Undertaxed Profits Rule (UTPR), have aimed to simplify Ireland's corporate tax framework, broader measures are urgently needed to counter the economic impact of these new tariffs. Providing targeted supports and incentives for affected sectors, along with stronger policies to diversify export markets, will be critical to sustaining Ireland's position as a leading destination for FDI.

Ireland's growing population and infrastructural deficits have also been identified as major obstacles to retaining and attracting FDI. Without addressing these challenges alongside the pressures created by the new EU–US tariffs, Ireland risks a slowdown in trade-driven growth, potentially weakening the long-term resilience of its economy and competitiveness.

1 Support for Incubation and Innovation Hubs

The calibre and scale of the businesses present in SBD provides an ideal environment for the introduction of an incubation hub, which will lend itself to startups making connections in international markets, establishing a presence in foreign markets, and facilitating market entry and expansion.

The Government's White Paper on Enterprise 2022–2030 sets out a clear ambition to strengthen Ireland's indigenous exports. Start-ups can drive this growth by introducing innovative products and business models to international markets. Incubation and innovation hubs can support them by fostering networks, easing regulatory navigation, and helping tailor offerings for global consumers.

A persistent challenge for Irish start-ups is the lack of scaling finance, which can drive promising scale-ups to relocate abroad in search of better funding opportunities, ultimately hampering Ireland's competitiveness. For SBD, closing this funding gap is essential to unlock innovation. SBID supports the €4.55 billion earmarked for Further Education, Research, Innovation, and Science in the National Development Plan 2026–2030, which will fuel innovation and entrepreneurship, and drive sustainable growth.

Beyond providing financing, incubation hubs play a crucial role in retaining R&D activities in Ireland by strengthening entrepreneurial ecosystems. While policies can encourage Irish-born start-ups to scale globally, retaining these companies remains a challenge. By offering tailored support and establishing an incubation hub in SBD, start-ups can tap into a robust local business network. This will enhance the retention of Irish start-ups, contributing to increased innovation and overall economic growth within Ireland.

2 Innovation and Digitalisation

Upskilling the workforce is vital for driving innovation and digitalisation across sectors. While Ireland is home to many global tech leaders, SMEs face greater challenges in adapting to new technologies. To remain competitive, SMEs must adopt digital tools, particularly given the mobile job market and the difficulty in attracting skilled talent.

Programmes focused on cybersecurity and digitalisation, run by bodies such as Local Enterprise Offices, should be financially supported to equip SMEs with the necessary tools. Expanding initiatives like the Connected Hubs network to reach more SMEs across sectors would further ensure a cohesive digitalisation of SMEs.

SBD encourages fully leveraging resources from corporations and FDI. Education programmes developed by leading corporations offer valuable opportunities for expert-led training, helping SMEs enhance their operations.

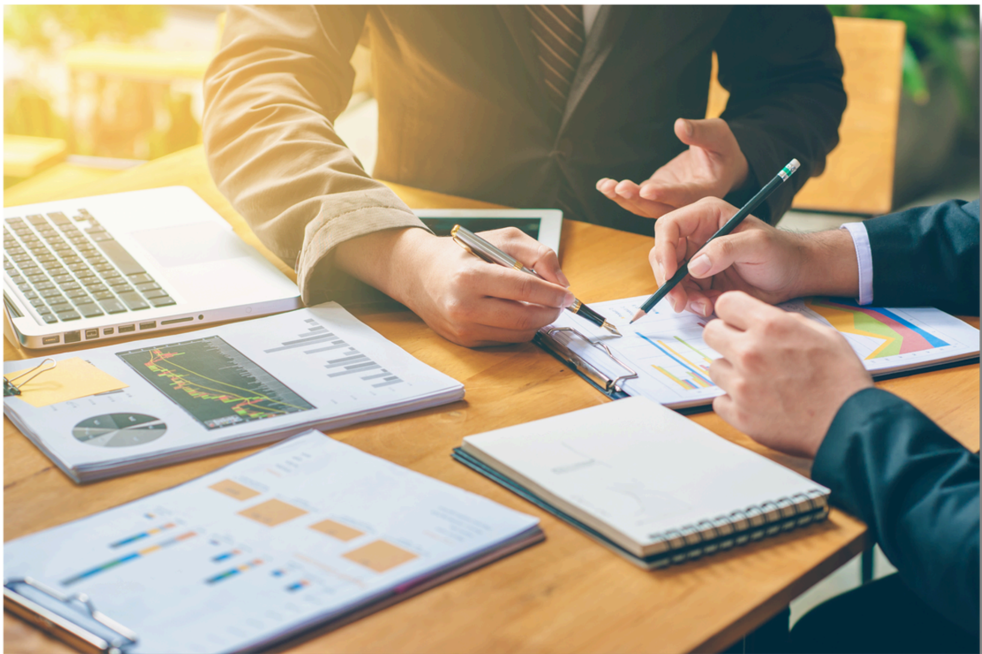
3 Support for Irish Businesses

Boosting Ireland's competitiveness is vital to helping Irish-made businesses scale, innovate, and thrive while ensuring the country remains a leading hub for FDI. Reducing operational costs, incentivising investment, and driving innovation and entrepreneurship are key to enabling homegrown enterprises to compete globally. A core part of this is preserving and strengthening the R&D tax credit, which underpins innovation-led growth by enabling firms of all sizes to invest in new technologies and processes, while remaining competitive internationally.

SBID welcomes the Government's commitments to strengthen Ireland's enterprise base and initiatives like the Action Plan on Competitiveness and Productivity, the Action Plan on Market Diversification, and the Cost of Business Advisory Forum. These are positive steps for improving the business climate for Irish enterprises.

To build on this, SBID urges shifting funding away from short-term cost relief towards programmes that drive transformation, digitalisation, green innovation, and market diversification.

Current grant schemes fall short: the Grow Digital Voucher has seen just six approvals since its launch, with its €5,000 limit too low to incentivise meaningful digital adoption, including AI. Likewise, Enterprise Ireland's Market Discovery Fund offers strong support for export diversification but suffers from low awareness. Redirecting resources and improving access to these schemes would better equip Irish businesses to overcome global trade challenges and capture new growth opportunities.



SECTION 2
PROVIDING FOR A HIGH SKILLED WORKFORCE

SUMMARY OF RECOMMENDATIONS

Sandyford BID CLG calls on the Government to:

- Undertake annual reviews of planning zones for greater flexibility and adaptability.
- Allocate additional resources to local authorities and establish a new judicial review court in order to expedite the planning application process.
- Increase resourcing for An Comisiún Pleanála, and Local Authorities' planning departments.
- Support mixed-use development projects that incorporate residential elements into underutilised commercial spaces to address the housing crisis and revitalise communities and streamline 'change-of-use' applications, to enable the evolution of property usage depending on demand.
- Improve the work permit system by broadening the list of eligible positions and sectors, introducing a fast-track visa process, and enhancing Erasmus+ mobility.
- Allocate increased NTF resources to expand and promote specialist companies such as Skillnet Ireland.
- Double the number of Springboard+ places available for digital transition and AI-related courses.

1 Housing and Planning

Ireland's housing deficit is a persistent problem for attracting and retaining talented and highly-skilled workers from overseas. In a survey of SBD's member businesses in July 2025, out of 81 businesses which responded, 48% indicated that housing availability is the biggest challenge to Ireland's business competitiveness.

The Government has set its own target of delivering of 50,000 homes per annum until 2040 to meet the needs of Ireland's growing population. However, to meet these ambitious targets, the Government and local authorities must develop an efficient and flexible planning framework to adapt to changing circumstances, including shifts in supply chains, geopolitical tensions, and evolving work patterns.

With stagnation in commercial and office developments, exploring mixed-use projects that integrate residential elements can address the housing crisis and revitalise underused office sites. In business hubs such as SBD, this would greatly facilitate employee retention, and attraction, by reducing employee commutes and supporting the concept of the 15-minute city.

A well-developed planning framework should also enable the rejuvenation of empty, undeveloped sites that have been granted planning permission, and facilitate change of use applications. Additionally, SBID recommends annual government reviews of planning zones to enhance flexibility and adaptability in land use. Such changes will allow land use to be maximised to meet the evolving needs of businesses and residents.

To streamline the planning framework, adequate resourcing is required for local authorities, An Comisiún Pleanála, and the judicial system. SBID welcomes the recent organisational restructuring brought in with the reformation of An Bord Pleanála to An Comisiún Pleanála. However, it is important that this newly established organisation is given appropriate resourcing to avoid delays in the granting of planning permissions, assessing planning appeals and judicial reviews. Placing the emphasis on a fast-track planning system with reduced bureaucracy and red tape will enable efficient progress and development of critical infrastructure and housing projects, support sustainable and sufficient infrastructural growth to meet the needs of Ireland's growing population.

2 War for Talent

With Ireland experiencing near-full employment, many businesses are facing significant challenges in expanding due to widespread labour shortages. This issue particularly affects sectors such as hospitality, construction, IT, and engineering. Companies across these areas are struggling to find and retain skilled workers, highlighting a critical "war for talent" that could negatively impact further economic growth.

Sandyford BID CLG also highlights the urgent need for greater flexibility in Ireland's work permit system to help businesses access skilled talent from overseas. Introducing a fast-track visa process, expanding the range of eligible fields for permits, and placing stronger emphasis on Erasmus+ mobility from other countries would help close critical skills gaps. Simplifying these processes would help address acute skills gaps, support business growth, and ensure Ireland remains competitive in attracting international expertise while supporting the expansion of businesses.

It is also crucially important, for Ireland to meet the global demand for businesses to embrace the digital transition and the adoption of AI, which means investing in upskilling and reskilling. According to data from the Department of Further and Higher Education, Research, Innovation and Science, there were 71 courses for 2,183 participants covering AI and digital skills offered by Springboard+ programmes in 2024.

SBID welcomes the recent increase in upskilling and reskilling initiatives funded through the National Training Fund, as well as the €1.5 billion boost to the fund allocated in Budget 2025. However, given the importance of specialist companies such as Springboard+ and Skillnet Ireland to upskilling and education of the workforce, and in ensuring Ireland remains a competitive leader in an evolving global business landscape, SBID calls for greater ambition in the provision and promotion of such courses.

SECTION 3
TRANSPORT INFRASTRUCTURE

SUMMARY OF RECOMMENDATIONS

Sandyford BID CLG calls on the Government to:

- Prioritise capital spending to invest in multi-modal transport infrastructure with an emphasis on providing electrified transport for urban areas.
- Introduce incentives for businesses to boost uptake of the TaxSaver ticket scheme.
- Progress major shared mobility transport initiatives such as Mobility Hubs and develop connected Active Travel infrastructure.
- Establish a Department of Infrastructure to ensure the timely delivery of major infrastructure projects.
- Commit to further incentives for households and businesses to install EV charging points to achieve widespread accessibility to an EV charging network.
- Invest in and drive FDI for the development and operation of offshore and onshore wind farms.
- Encourage co-charging schemes to allow all users to access existing charging infrastructure and charge accordingly.
- Increase grant funding for SMEs to achieve emissions targets via dedicated emissions reductions tax credits, micro-grants, and simplified access to green funding, such as the Green Transition Voucher.

1 Expansion of Public Transport and Luas Services, and the MetroLink Project

Sandyford BID CLG supports the Government's €275.4 billion National Development Plan (NDP) from 2026 to 2035, including €24.3 billion allocated to key transport projects, and the increased investment of €14.9 billion allocated to critical infrastructure seen in Budget 2025. SBID recommends investing capital spending in a modern transport strategy to promote sustainable commuting and multi-modal transport options.

Initiatives such as the MetroLink, Dart+, and Luas expansion projects are critical to modernising and increasing sustainability, as is increasing capacity across all public transport. SBID applauds the allocation of Apple Tax Windfall funding towards transport, and particularly the allocation of €2 billion towards low-carbon transport. SBID urges that in Budget 2026, funding is directed to the accessibility and capacity of public transport, and electrifying urban transport, including in Sandyford Business District.

Mobility Hubs and investment in Active Travel infrastructure are also leading examples of introducing and supporting the use of multi-modal transport. Introduction of electrified extensions, such as small electric buses, car-sharing, and e-bikes can complement existing transport infrastructure to create comprehensive Mobility Hubs. Investment in multi-modal transport should also include a commitment to developing Active Travel infrastructure, including walking and cycle pathways, that are accessible, safe, reliable, and most critically, connected.

As the cost-of-living impacts businesses and individuals alike, SBID proposes a tax-free shared mobility allowance to encourage a shift away from private, single-occupancy vehicles. Although data is not yet available from 2024, the Minister for Finance said that 26,300 people benefited from the TaxSaver ticket scheme in 2023, in answer to a recent parliamentary question (26 Feb 2025).

Currently, employers face no registration fee to join the TaxSaver scheme but must manage payroll deductions and coordinate with transport providers. To further incentivise participation, Budget 2026 should introduce a €100 per-employee allowance for registered employers purchasing annual TaxSaver tickets.

No. Benefitting Employees	Allowance per person (€)	Cost to Exchequer (€)
30,000	100	3,000,000
40,000	100	4,000,000
50,000	100	5,000,000

2 Investment in Sustainability, Climate Change, and Relevant Industries

Ireland aims to cut carbon emissions by 51% by 2030 and reach carbon neutrality by 2050, but current progress risks falling short. To meet these goals, substantial investment in renewable energy, particularly offshore and onshore wind farms, is critical. This will reduce reliance on fossil fuels and foreign energy sources, supply of which is subject to disruption by global conflicts and geopolitical tensions, and which has a detrimental impact on the environment during the production process.

Considering these factors, and Ireland's prime position to produce offshore and onshore wind energy, it is imperative for Ireland to attract substantial investment in renewable energy sources. By doing so, Ireland will reduce its dependence on fossil fuels and decrease reliance on other nations to meet energy needs.

Reducing dependency on carbon-emitting vehicles and supporting the growing market share of Electric Vehicles (EVs) and Hybrids is crucial. In 2023, these vehicles had a combined market share of 45% of all new car sales, approximately 55,471 of 121,850 registrations (121,850 New Car Registrations in 2023; Electric Cars up 45% | SIMI) In 2024, this figure stagnated, at 45% or 54,961 new registrations of 121,195 registrations, while EV sales taken alone saw a reduction by 24%.

The drop in EV sales can be attributed to several factors, but some key barriers to wider adoption of plug-in Hybrids and EVs are reductions in Government incentives, and concern over the lack of sufficient charging infrastructure. SBID welcomes the progress made by the Government in achieving the National Road Network EV Charging Plan 2024-2030, including finalisation of the Regional and Local EV Charging Network Plan and the recent announcement of 53 new high-power recharging hubs across Ireland's national road network.

However, widespread availability of charging points is still inconsistent across Ireland. While the number of private businesses and local authorities that have installed EV charging points is rising, EVs will not be a viable option for many people who regularly undertake long-distance trips without a cohesive and connected network.

To address this, further incentives for households and businesses to install EV charging points are needed, as well as increasing access to co-charging schemes, which would expand and maximise access to the existing charging network.

SMEs are an overlooked contributor to reducing carbon emissions and achieving climate targets. However, reducing carbon emissions is often costly, with high upfront costs required for retrofitting or accessing sustainable products. Financial support would enable SMEs to meet their carbon emission targets and invest in cleaner technologies and practices, thereby reducing their carbon footprint and contributing to overall emissions reduction efforts.

According to the latest figures from the CSO, SMEs accounted for 99.8% of all active businesses in Ireland in 2022, employing over two thirds (68%) of the State's workforce. Despite their significant contribution to the Irish economy, SMEs are often unsupported in the national climate strategy.

A joint report this year from the Irish Fiscal Advisory Council and the Climate Change Advisory Council warned that Ireland is in danger of needing to pay up to €28 billion in fines for failing to meet its climate targets by 2030. In order to achieve targets and avoid substantial penalties, it is imperative to mobilise SMEs with meaningful, accessible financial incentives to invest in sustainability.

To support this, SBD proposes introducing a refundable tax credit to support sustainability investments by SMEs, such as a 'Green Transition Voucher' modelled on Enterprise Ireland's Grow Digital voucher for digital transition, which offers up to €5,000 in matched funding, covering up to 50% of eligible costs for projects that reduce a business's carbon footprint. Aligned with the Grow Digital model, this could include partial matched funding in two stages, from planning to execution.

While current supports such as the Climate Action voucher, providing up to €1,800 for training and advisory towards sustainability roadmaps are welcome, additional support is required to accelerate the transition. SBID proposes the offering of grants of up to €5,000 in matched funding from a fund of €5 million, similar to the Grow Digital voucher, offered for additional green transition developments past the planning stage.

SECTION 4
BUSINESS COSTS

SUMMARY OF RECOMMENDATIONS

Sandyford BID CLG calls on the Government to:

Reduce the Hospitality VAT rate and reconsider future increases.

Streamline and simplify the corporate tax system to retain and attract FDI.

Increase the Entrepreneur Relief cap from €1m to between €10m to €15m.

Reduce the CGT rate to a more realistic nominal rate and expand reliefs beyond owner-managers.

Raise the entry point to Marginal Rate of Personal Income Tax to €50,000.

Review the commercial rates model as a method of collecting revenue for local authorities.

1 Hospitality VAT Rate

During the COVID-19 pandemic, the Government accommodated a temporary reduction in the VAT rate for the hospitality sector in recognition of the significant financial pressures experienced by hospitality businesses, particularly in the food and drink service industry.

However, when this ended in September 2023, it resulted in a 50% increase in the hospitality sector's VAT rate from 9% to 13.5%. Given the disproportionate impact that rises in energy, labour and supply chain costs have had on the operational costs of hospitality businesses, this sector is struggling under the additional burden of this higher VAT rate.

Since the return to a higher VAT rate, 612 restaurants and food service businesses closed between September 2023 and September 2024. A further 200 food-led businesses have closed since the beginning of 2025. Meanwhile, the food service industry saw an overall turnover of over €9.8 billion in 2024.

Although the estimation in the recent Tax Strategy Group Papers that reverting to a 9% VAT rate would cost €867 million in the year seems drastic, given the significant size and importance of the hospitality and food service industry to the Irish economy, this is a worthy trade-off to support businesses and allow them to grow and develop further, while protecting businesses from closure.

SBID welcomes the Government's proposal to reduce VAT halfway into 2026 but urges that it be reconsidered to avoid further closure of food service businesses in the coming year.

2 Streamline the Corporate Tax System

Sandyford BID remains concerned that Ireland's competitiveness is at risk due to an over-reliance on corporate tax revenue to fund current expenditure. With the OECD's anti-BEPS framework and the 15% minimum corporate tax rate on firms with revenue above €750 million, FDI retention strategies have not yet been fully prioritised by the Government.

While some progress has been made to simplify tax codes, further streamlining and simplification of the corporate tax system is urgently needed to incentivise multinational corporations (MNCs) to remain and invest in Ireland, and safeguard Ireland's position as a leading FDI destination.

The importance of MNCs for Ireland's corporation tax receipts cannot be overstated: in 2024, foreign MNCs accounted for 88% of Irish corporation tax, contributing €24.8 billion out of a total €28.1 billion to the Exchequer (excluding the €11 billion Apple Tax ruling).

The largest 10 firms alone provided 57% of corporate tax receipts, up from 52% in 2023, according to data from the Revenue Commissioners. This marks a dramatic rise from just €4.6 billion in 2014, highlighting Ireland's transformation in attracting and retaining FDI. Against a backdrop of shifting geopolitical relations and trade agreements, strengthening Ireland's attractiveness for FDI through a clearer, easier to navigate, and more competitive tax framework is essential to long-term economic resilience and supporting Ireland's growing population.

3 Entrepreneur Relief

Entrepreneur Relief gives a CGT rate of 10% on gains from the disposal of qualifying business assets. This is reduced from the standard rate of 33%. This relief is particularly important given the high standard CGT rate.

However, the rate's cap at €1m chargeable gains renders the criteria too narrow to allow angel investors to benefit. According to the Government's own calculations the cost of increasing the relief to €10m would cost the exchequer €74m, while increasing the relief to €15m would cost €77m.

4 Capital Gains Taxes

Ireland's 33% Capital Gains Tax (CGT) is the third highest in the EU, disadvantaging Irish family businesses compared to their European counterparts. The OECD's report "SME and Entrepreneurship Policy in Ireland" noted that Ireland's CGT rate is above the OECD average, potentially discouraging investment and entrepreneurship.

Evidence shows that reducing the Capital Gains Tax (CGT) rate can boost activity and increase revenues. When Finance Minister Charles McCreevy cut the CGT rate from 40% to 20% in Budget 1998, tax revenues grew significantly beyond projections. However, since successive governments have raised the rate to 33%, revenue has not matched the previous high yields, despite asset values recovering.

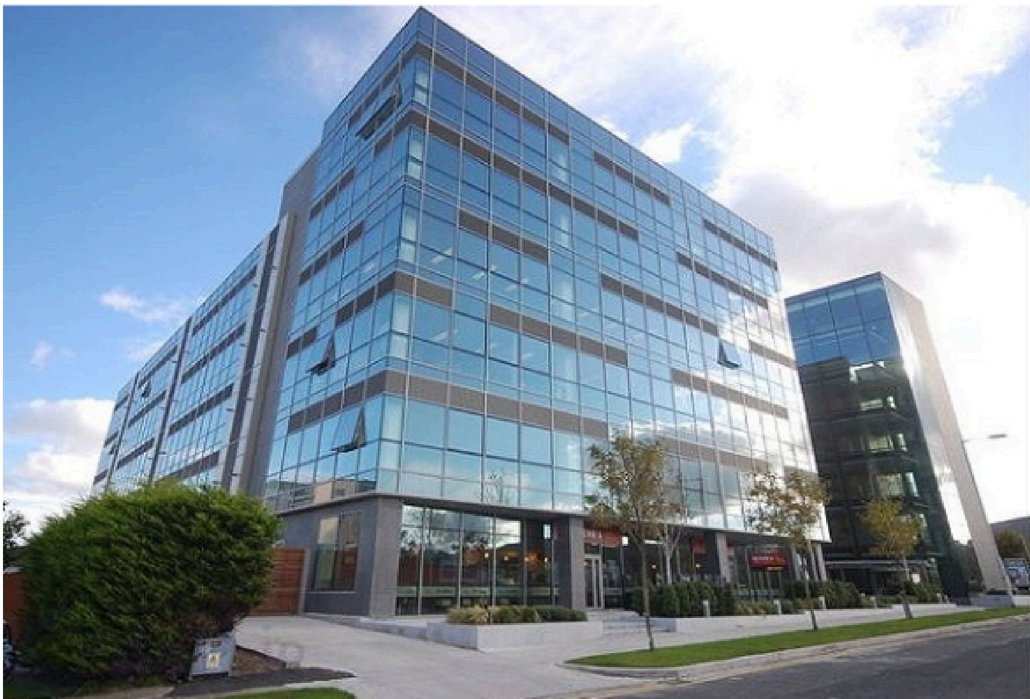
5 Entry point to Marginal Rate of Personal Income Tax

To help SMEs offer fair salaries and ensure workers receive fair net pay, Sandyford BID CLG recommends raising the entry point for the marginal personal income tax rate for a single person to €50,000.

Despite fierce competition between candidates and a skills shortage, Ireland has one of the world's highest marginal tax rates on salaries below the average wage, with only flat-tax countries having a lower entry point. High marginal tax rates can reduce the economic benefits of income increases and deter entrepreneurship and talent, as noted by the OECD and former Taoiseach Leo Varadkar, who said that high taxes will be a “major disincentive” in attracting remote workers.

6 Commercial rates

Budget 2026 is an opportunity to review the outdated commercial rates model used to collect local authority revenue. It is currently based on fluctuating rental values and not a business’s ability to pay, leaving this system misaligned with current realities.



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