



Budget 2024

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INCOME TAX & USC

Tax rates	2024	2023	
Standard tax rate	20%	20%	
Higher tax rate	40%	40%	
Standard rate bands			
Single/widowed without qualifying child	€42,000	€40,000	
Married couple/civil partnership one income	€51,000	€49,000	
Married couple/civil partnership two incomes	€84,000	€80,000	
One parent family	€46,000	€44,000	
Tax credits			
Single person	€1,875	€1,775	
Married couple/civil partnership	€3,750	€3,550	
Single person child carer	€1,750	€1,650	
PAYE	€1,875	€1,775	
Earned income	€1,875	€1,775	
Home carer (maximum)	€1,800	€1,700	
Incapacitated child	€3,500	€3,300	
Universal Social Charge (USC)			
2024		2023	
First €12,012	0.5%	First €12,012	0.5%
Next €13,748	2%	Next €10,908	2%
Next €44,284	4%	Next €47,124	4.5%
Balance over €70,044	8%	Balance over €70,044	8%
Relevant income > €100,000	11%	Relevant income > €100,000	11%

PRSI

	2024	2023
Class A Employee PRSI	4.1%	4%
Employer PRSI on weekly income (not exceeding €410)	8.9%	8.8%
Employer PRSI on weekly income (over €410)	11.15%	11.05%
Self-employed PRSI	4.1%	4%

Increases in PRSI rates will take effect from 1 October 2024.

CORPORATION TAX

Standard rate	12.5%
CT for large companies	15%
Knowledge Development Box	6.25%
Non-trading income rate	25%

CAPITAL GAINS TAX

General rate	33%
Entrepreneur relief (reduced rate)	10%
Annual exemption	€1,270

STAMP DUTY

Residential units up to €1m	1%
over €1m	2%
Bulk purchased residential units	10%
Commercial property	7.5%

CAPITAL ACQUISITION

General rate	33%
Group A threshold	€335,000
Group B threshold	€32,500
Group C threshold	€16,250

Shares (subject to some exceptions)	1%
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DIRT	33%
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DWT	25%
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VAT

Standard rate	23%
Reduced rate	13.5%
Reduced rate for gas and electricity	9% until 31 October 2024

Housing Initiatives

- The Help to Buy incentive is a scheme for first-time buyers. Budget 2024 further extends the scheme to December 2025. There have been no changes to the rates of the scheme, which still offers first-time buyers a tax rebate of up to €30,000 or 10% of the purchase price of the property. The scheme has been amended to include applicants of the local authority affordable purchase scheme. This change will take place from 11 October 2023.
- The vacant homes applies to residential properties that have been occupied for 30 days or less in a 12-month period. The rate of tax will be increased to 5 times the base rate of Local Property Tax that applies to the property, commencing in November 2023.
- The rent tax credit will be increased from €500 to €750 per annum and can be claimed retrospectively for 2022. It is available to taxpayers who pay rent and are not in receipt of any other housing supports. Parents who pay for their student children who have tenancies in 'Rent a Room' or 'digs' accommodation will now be able to claim the Rent Tax Credit. This will be backdated to allow for claims to be made for the 2022 and 2023 tax years.
- A one-year Mortgage Interest Tax Relief for home owners, with an outstanding mortgage between €80,000 to €500,000 as at 31 December 2022, has been introduced. Tax relief at 20% will be available on the increase in mortgage interest paid between 2022 and 2023, to a maximum of €1,250 per property.

Rent Relief for landlords

A temporary tax relief will be introduced which will primarily benefit small landlords. Subject to certain conditions, rental income of €3,000, €4,000 and €5,000 will be disregarded, at the standard rate of tax, for the years 2024, 2025 and 2026/27, respectively. To avail of this relief, properties must remain in the rental market for four years, otherwise relief will be clawed back.

Education

Families with an income of less than €100,000 will have college fees for undergraduate students halved to €1,500.

Other families will see college fees for full-time undergraduate students cut by €1,000.

Corporation Tax

Research & Development (R&D) Tax Credit

The following changes to the R&D credit were announced as follows:

- The tax credit has increased from 25% to 30%
- The first €50,000 of an R&D claim is now payable within one year

Employment Investment Incentive Scheme (EII)

The Employment Investment Incentive scheme (EII) provides SMEs and start-ups with an alternative source of funding. Budget 2024 has introduced the following amendments:

- Standardisation of the investment period to four years for all investors
- Doubling the amount an investor can claim relief on, for four-year investments, to €500,000

Angel Investors

A new tax relief for 'Angel Investors' in innovative start-up SMEs is due to be introduced, which will allow for a reduced rate of CGT when disposing of a qualifying investment, for gains up to twice the value of their investment.

Retirement Relief

Retirement Relief is a relief on Capital Gains Tax on the disposal of a business. Budget 2024 has introduced the following amendments, to take effect from 1 January 2025:

- An extension on the upper age limit for the relief from age 65 to age 70
- The lower age limit for the restricted relief has been increased from age 66 to age 70
- A limit on disposals to a child, up to the age of 70, will be introduced

Section 481 Film Relief

Budget 2024 introduces an increase in the cap on qualifying expenditure from €70 million to €125 million

International Corporation Tax Reform

In 2022 The Irish Government signed up to the OECD's international tax agreement providing for a corporation tax rate of 15% for companies with revenues in excess of €750 million.

The current rate of 12.5% rate will continue to apply to companies below the €750 million revenue threshold. In next week's Finance Bill, legislation to implement the 15% tax rate will be published.

Benefit-in-Kind – motor vehicles

Universal relief of €10,000 on the Original Market Value (OMV) of company cars, introduced in 2023, has been extended for a further 12 months.

A reduction of €35,000 on the OMV of electric cars will be maintained until the end of 2025. Taken together with the extension of the universal OMV relief, this measure will mean that an employee with an electric company vehicle will see an overall BIK Original Market Value relief of €45,000 in 2024.

Carbon Tax

In a drive to decarbonise the economy and meet Ireland's commitment to reduce carbon emissions, the rate of carbon tax on fuels will increase on 11 October 2023 by €7.50 per tonne. Carbon tax will rise by the same amount in every Budget until 2029.

The final tranche of fuel excise increases which were due to happen on 31 October. Instead, these will occur in two equal instalments on 1 April 2024 and 1 August 2024 at 8c on petrol, 6c on diesel and 3.4c on Marked Gas Oil.

Agri Tax Measures

The maximum aggregate lifetime limit on a number of farm related reliefs is being increased to €100,000. The following reliefs are included:

- Stock Relief for Young Trained Farmers
- Relief for succession farm partnerships
- The maximum amount of enhanced stock relief for farmers, who are partners in a Registered Farm Partnership, will be increased to €20,000.

Consanguinity Relief supports the transfer of farms from one generation to the next. Budget 2024 extends this relief for a period of five years.

Minimum Wage

The national minimum wage has increased by €1.40 an hour to €12.70.

Bank Levy

A revised bank levy will be introduced in 2024.

This leaflet is only a summary of the Budget Speech and is not intended to be a comprehensive guide. For additional guidance, please contact us.

*Copsey Murray
11 October 2023*