



BUDGET 2019 HEADLINES

09 OCTOBER 2018

Income Tax

Increase in the standard band of income tax by €750 for a single earner.

The marginal rate of tax on income up to €70,000 now 48.5%.

Decrease in third band of USC from 4.75% to 4.5%. €502 increase in existing lower band of USC - worth a maximum of €139 per annum.

€200 increase in Earned Income Credit for the Self Employed to €1,350.

€300 increase in the home carer credit to €1,500.

0% BIK on electric cars extended to 2021 subject to a €50,000 cap in car value.

Business Taxation

Strong reaffirmation of long-term commitment to 12.5% corporation tax rate.

0.1% increase in employers PRSI in 2019 and 2020 to 10.95% and 11.05% respectively.

Increases to the KEEP scheme limits. The scheme provides for tax relief for certain share remuneration provided to key employees by unquoted SMEs.

CGT Exit Tax at 12.5% to apply from midnight 9 October 2018 for companies ceasing to be Irish tax resident.

Controlled foreign corporation rules to take effect from 1 Jan 2019.

Film tax relief corporate tax credit regime extended to December 2024.

Start up relief from corporate tax extended until end of 2021.

Property

Tax deductibility on interest paid on loans used to acquire or repair rented property increases from 75% to 100% from 1 January 2019.

Review of local property tax - any future changes will be moderate and affordable.

Indirect Tax

The Minister confirmed that the reduced 9% VAT rate which applies to certain activities within the tourism and hospitality sector will revert to 13.5% from 1 January 2019.

The 9% VAT rate which applies to the provision of facilities for taking part in sporting activities is being retained. The 9% VAT rate which applies to certain printed matter (e.g. newspapers) will also be retained and the standard VAT rate which currently applies to certain on-line publications will be reduced to 9%.

Excise duty on a packet of 20 cigarettes will be increased by 50 cent (including VAT) from midnight tonight (9 October 2018), with a pro-rata increase on other tobacco products.

Betting duty which applies to bets entered into by bookmakers with persons in Ireland will be increased from 1% to 2% and the duty on commissions earned by betting exchanges/intermediaries utilised by persons in Ireland will be increased from 15% to 25%, from 1 January.

VRT relief for hybrid vehicles is being extended until the end of 2019. A 1% VRT surcharge for diesel passenger vehicles registered from 1 January 2019 is being introduced, across all VRT bands.

Capital Acquisitions Tax

Tax Free threshold for gifts and inheritances within Category A (generally parents to their children) is increasing from €310,000 to 320,000). Applies to gifts and inheritances from 10 October 2018.