

# Tax Rates and Credits 2025

## Personal income tax rates (changed)

	At 20%, first	At 40%
Single person (increased)	€44,000	Balance
Married couple/civil partnership (one income) (increased)	€53,000	Balance
Married couple/civil partnership (two incomes) (increased)*	€88,000	Balance
One parent/widowed parent/surviving civil partner (increased)	€48,000	Balance

\* €53,000 with an increase of €35,000 maximum

## Personal tax credits (changed)

Single person (increased)	€2,000
Married couple/civil partnership (increased)	€4,000
Single person child carer credit (increased)	€1,900
Additional credit for certain widowed persons/surviving civil partner	€1,650
Employee credit (increased)	€2,000
Earned income credit (increased)*	€2,000
Home carer credit (increased)**	€1,950
Incapacitated child tax credit (increased)	€3,800

\* Applies to self employed income and certain PAYE employments not subject to the PAYE credit  
 \*\* It is not possible to claim both the increased Standard Rate Cut-Off Point for married couples (two incomes) and the Home Carer Tax Credit

## Mortgage Interest Tax Relief (changed)

The temporary one year mortgage interest tax relief scheme has been extended by one further year for home owners with an outstanding mortgage balance on their principal private residence of between €80,000 and €500,000 on 31 December 2022. Tax relief will be available on the difference between the interest paid on that loan between the calendar year 2022 and 2024 at the standard rate of income tax (20%), capped at a credit of €1,250 per property.

## Help to Buy Scheme (changed)

Income tax rebate, capped at €30,000, for first time buyers of a principal private residence. The relief is 10% of the house value. No relief for houses valued greater than €500,000. Claimants must take out a mortgage of at least 70% of the purchase price. The scheme only applies to new builds, self builds or a converted building not previously used as a dwelling and not to second hand properties. The scheme has been amended to include the Local Authority Affordable Purchase Scheme (LAAP), with effect from 11 October 2023. The entire scheme has been extended until 31 December 2029.

## Vacant Homes Tax (changed)

Vacant Homes Tax will apply to a residential property occupied for less than 30 days in a 12 month period. A number of exemptions will apply to properties which are unoccupied for genuine reasons. Effective 1 November 2024, tax will be charged at a rate equal to seven times the property's existing LPT liability (increased from five times).

## Value Added Tax (changed)

Standard rate/lower rate	23% / 13.5%
Electricity and gas*, and sporting facilities	9%
Flat rate for unregistered farmers (rate increased)	5.1%
Cash receipts basis threshold	€2m

\* 9% rate applying to electricity and gas extended to 30 April 2025.  
 \*\* 0% rate in respect of e-books, audio books and solar panels for schools.  
 \*\*\* The VAT registration threshold for goods and services has increased to €85,000 and €42,500, with effect from 1 January 2025 (from €80,000 and €40,000 respectively).

## Deposit Interest Retention Tax (unchanged)

DIRT	33%*
------	------

\* 41% rate remains for exit taxes on financial products

## Capital gains tax (changed)

Rate	33%
Entrepreneur relief (reduced rate)*	10%
Angel Investor Relief**	16% / 18%
Annual exemption	€1,270

\* Relief remains capped at lifetime limit of €1m of chargeable gains  
 \*\* The relief will be available to an individual who invests in an innovative start up SME for a period of at least 3 years. The investment by the individual must be in the form of fully paid up newly issued shares costing at least €10,000 and constituting between 5% and 49% of the ordinary issued share capital of the company. Qualifying investors may avail of an effective reduced rate of CGT of 16%, or 18% if through a partnership, on a gain up to twice the value of their initial investment. There is a lifetime limit of €10 million on gains to which the reduced rate of CGT will apply (2024: €3 million).  
 \*\*\* Capital Gains Tax Retirement Relief. Effective from 1 January 2025, qualifying disposals to a child from a parent aged up to 70 will qualify for full relief. However, a clawback will apply in respect of assets transferred with a value in excess of €10 million where a child disposes of the assets within a 12 year period.

## Local Property Tax (varying rates) (unchanged) based on the following bands:

Bands €	Charge	Bands €	Charge
1 - 200,000	€90	962,501 – 1,050,000	€1,035
200,000 - 262,500	€225	1,050,001 – 1,137,500	€1,189
262,501 – 350,000	€315	1,137,501 – 1,225,000	€1,408
350,001 – 437,500	€405	1,225,001 – 1,312,500	€1,627
437,501 – 525,000	€495	1,312,501 – 1,400,000	€1,846
525,001 – 612,500	€585	1,400,001 – 1,487,500	€2,064
612,501 – 700,000	€675	1,487,501 – 1,575,000	€2,283
700,001 – 787,500	€765	1,575,001 – 1,662,500	€2,502
787,501 – 875,000	€855	1,662,501 – 1,750,000	€2,721
875,001 – 962,500	€945	1,750,000 +	€2,721, +0.3% on value over €1.75m

- Valuation date for LPT purposes was 1 November 2021 and determined the LPT to be paid for 2022 - 2025.
- Applies to residential (not commercial) properties.
- Applies to new homes constructed on or before the valuation date of 1 November 2021, which were brought within the scope of LPT charges from 2022 onwards.
- Various other exemptions no longer apply.
- Certain payment deferral options may be available for low income households
- From 2015 onwards, local authorities can vary the basic LPT rates on residential properties in their administrative areas. These rates can be increased or decreased by up to 15%.

## Dividend Withholding Tax (unchanged)

Rate	25%*
------	------

\* A modified DWT regime which was to be introduced from 1 January 2021 was deferred. Under the modified regime it is proposed to use real-time data collected under the modernised PAYE system to apply a personalised rate of DWT to each individual taxpayer.

# Tax Rates and Credits 2025

## PRSI contribution (changed), Universal Social Charge (changed)

	%	Income
<b>Employer</b>	11.15%/11.25%*	No limit
	8.9%/9%*	If income is €496 p/w or less
<b>Employee (class A1)</b>		
PRSI	4.1%/4.2%*	No limit**
Universal Social Charge	0.5% (unchanged)	€0 to €12,012***
	2.0% (changed)	€12,012.01 to €27,382****
	3.0% (changed)*****	€27,382.01 to €70,044*****
	8% (unchanged)	> €70,044

\* From 1 October 2025, the employee PRSI rate will increase from 4.1% to 4.2%. The employer PRSI rate will increase from 11.15% to 11.25% and from 8.9% to 9% where weekly income is €496 or less.

\*\* Employees earning €352 or less p/w are exempt from PRSI. In any week in which an employee is subject to a full-rate PRSI, all earnings are subject to PRSI. Unearned income in excess of €5,000 p.a. is subject to PRSI. Sliding scale PRSI credit of max. €12 per week where weekly income between €352 and €424.

\*\*\* Individuals with total income up to €13,000 are not subject to the Universal Social Charge.

\*\*\*\* Increase in upper limit of the 2% band from €25,760 to €27,382.

\*\*\*\*\* Rate decreased from 4% to 3%.

\*\*\*\*\* Reduced rate (2.0%) applies for persons aged 70 or over and/or with a full medical card, where the individual's income does not exceed €60,000. Currently, this reduced rate applies until the end of 2025.

## Self-employed PRSI contribution (changed), Universal Social Charge (changed)

	%	Income
PRSI	4.1%/4.2%*	No limit**
Universal Social Charge	0.5% (unchanged)	€0 to €12,012***
	2.0% (changed)	€12,012.01 to €27,382****
	3.0% (changed)*****	€27,382.01 to €70,044*****
	8% (unchanged)	€70,045 to €100,000
	11% (unchanged)	> €100,000

\* From 1 October 2025, the PRSI rate will increase from 4.1% to 4.2%.

\*\* Minimum annual PRSI contribution is €650 from 1 October 2024.

\*\*\* Individuals with total income up to €13,000 are not subject to the Universal Social Charge.

\*\*\*\* Increase in upper limit of the 2% band from €25,760 to €27,382.

\*\*\*\*\* Rate decreased from 4% to 3%.

\*\*\*\*\* Reduced rate (2.0%) applies for persons aged 70 or over and/or with a full medical card, where the individual's income does not exceed €60,000. Currently, this reduced rate applies until the end of 2025.

## Tax relief for pensions (unchanged)

- Tax relief for pension contributions remains available at the marginal income tax rate
- Except where a Personal Fund Threshold applies, the Standard Fund Threshold is €2m

## Rent Tax Credit (changed)

Taxpayers who are renting a property and are not receiving housing supports can qualify for a rent tax credit of €1,000 per annum. The credit will be doubled in the case of married couples and civil partners. Relief is available to parents who pay for their student children's rental accommodation in the case of rent a room accommodation and "digs". The change (credit increased from €750 to €1,000) will also apply retrospectively to 2024.

## Tax relief for remote working (unchanged)

Income tax deduction amounting to 30% of the cost of vouched expenses for heat, electricity and broadband in respect of those days spent working from home.

## Rented Residential Relief (Landlords)

Tax relief for landlords from 1 January 2024, will provide relief at the standard rate of tax on residential rental income as follows:

2024	€3,000
2025	€4,000
2026 & 2027	€5,000

A full claw-back of the benefit of the relief applies in the event the landlord removes from the rental market, within 4 years, any of the rental properties in year 1 when the benefit is claimed. There is no clawback after the expiry of the 4 year period.

\* The relief relates only to tenancies registered with the Residential Tenancies Board (RTB), or where a landlord lets a residential property to a public authority (including a local authority) and subject to meeting certain other conditions.

\*\* In the case of joint ownership of a property, the relief will be divided in proportion to the percentage of the rental income to which each owner is entitled.

## Capital acquisitions tax (unchanged)

Rate	33%
------	-----

### Thresholds (changed)

Group A	€400,000
Group B	€40,000
Group C	€20,000

## Corporation Tax rates (unchanged)

Standard rate*	12.5% / 15%
Knowledge Development Box rate	10%
Land (not fully developed) and non-trading income rate	25%
Exit tax**	12.5%

\* A 15% minimum effective rate applies for large companies (global turnover greater than €750 million) as provided for under Finance (No. 2) Act 2023 (Pillar Two). Effective for accounting periods commencing on or after 31 December 2023.

\*\* Applies to unrealised gains arising where a company migrates or transfers assets offshore, such that they leave the scope of Irish taxation.

\*\*\* Research & Development Tax Credit remains at 30% for qualifying expenditure and the year 1 payment threshold has increased from €50,000 to €75,000.

## Stamp duty - commercial and other property (unchanged)

7.5%\* on commercial (non residential) properties and other forms of property not otherwise exempt from duty.

\* There is a refund scheme available to reduce the rate of stamp duty to 2% on certain residential development property transfers. Currently the scheme applies until 31 December 2025.

## Stamp duty - residential property (changed)

1% on properties valued up to €1,000,000
2% on balance of consideration between €1,000,000 - €1,500,000
6% on balance of consideration in excess of €1,500,000
15% on the cumulative purchase of 10 or more residential houses in a 12 month period.