



INCOME TAX

An increase of €750 in the income tax standard rate band for all earners, from €34,550 to €35,300 for single individuals and from €43,550 to €44,300 for married one earner couples.

The exemption limits, tax credits and standard rate bands applicable for the tax year 2019 are set out in detail on the last page.

HOME CARER TAX CREDIT

An increase in the Home Carer Tax Credit from €1,200 to €1,500

EARNED INCOME CREDIT

An increase in the Earned Income Credit for self-employed from €1,150 to €1,350

UNIVERSAL SOCIAL CHARGE

It is important note that no one earning less than €13,000 pays any USC at all; for those earning above this level, all their income is caught by the charge. Also, like PRSI, it is a straight charge on what you earn and is not affected by whether you are assessed as an individual taxpayer or jointly with a partner.

On the first €12,012	0.5%
On the next €7,862	2%
On the next €50,170	4.50%
On the next €29,956	8%
Balance	11 %

Medical card holders and individuals aged 70 years and older whose aggregate income does not exceed €60,000 will now pay a maximum USC rate of 2%.

MINIMUM WAGE

The minimum wage to increase to €9.80 from January 2019.

PRSI CONTRIBUTION

The weekly threshold for the higher rate of employer's PRSI will be increased from €376 to €386.

Employers PRSI rate @ 8.70% if income is €386 p/w or less

10.95 % If income is above €376 p/w

SOCIAL WELFARE PAYMENTS

In addition to a €5 per week increase in all weekly social welfare payments from next March, the Christmas bonus payment will be fully restored to all social welfare recipients this year. The Qualified Child addition on all social welfare payments will rise by €2.20 a week for under 12s and by €5.20 a week for 12 and over.

HELP TO BUY SCHEME (UNCHANGED)

Income tax rebate, capped at €20,000, for first time buyers of a principal private residence. The relief is 5% of the house value (capped at €400,000). Maximum relief (i.e. €20,000) available for homes valued between €400,000 and €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 will be in place until 31 December 2019

LOCAL PROPERTY TAX (VARYING RATES) (UNCHANGED)

Market Value less than €1,000,000 @ 0.18 %

Market Value greater than €1,000,000:

- First €1,000,000 @0.18 %

- Balance 0.25 %

EXCISE DUTIES

Tobacco Products Tax: The excise duty on a packet of 20 cigarettes is being increased by 50 cents . All cigarettes sold below €11 will have the same excise duty applied as cigarettes sold at €11. This will also take effect from midnight on 9 October 2018.

RENTAL SECTOR

The interest deduction on residential property lettings has been restored to 100% from 85%. Therefore from 1 January, 100% of interest incurred on a loan to purchase, improve or repair a residential property that is let will be deductible against the rental income from that property. This simply accelerates the restoration of the interest deduction by 2 years.

VAT

VAT rate for tourism sector reverts to 13.5% from 1 January 2019.

The increase will mainly impact hotels, other short-term guest accommodation and restaurants, but it will also apply to other areas including cinemas, theatres, hairdressers, museums and art galleries. However, newspapers and sporting facilities have been excluded from the increase and will remain at the 9% rate.

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.

CORPORATION TAX

The Minister reiterated in his Budget speech that the 12.5% Corporation Tax rate will remain in place indefinitely.

A new exit tax regime of 12.5% on any unrealised gains arising from when a company moves assets offshore so they leave Irish taxation. This will come in from midnight tonight.

BUSINESS TAX

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

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

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

STAMP DUTY - (UNCHANGED)

1% on properties valued up to €1,000,000

2% on balance of consideration in excess of €1,000,000

6% on commercial (non residential) properties and other forms of property not otherwise exempt from duty.

Where a claim for a refund is made, up to two-thirds of the stamp duty paid on the acquisition of land may be repaid if residential development on the land commences within 30 months following the date of execution of the stampable instrument. This refund is available where an instrument is executed on or after 11 October 2017 and is subject to conditions. The refund will not be available where development commences after 31 December 2021.

PERSONAL TAX CREDITS

Tax Credit	2018 €	2019 €
Single Person	1,650	1,650
Married or in a Civil Partnership	3,300	3,300
Employee Tax Credit	1,650	1,650
Earned Income Tax Credit Max	1,150	1,350
Widowed Person or Surviving Civil Partner (without qualifying child)	2,190	2,190

Single Person Child Carer Tax Credit	1,650	1,650
Incapacitated Child Credit Max	3,300	3,300
Blind Tax Credit: Single Person	1,650	1,650
Married or in a Civil Partnership - One Spouse or Civil Partner Blind	1,650	1,650
Married or in a Civil Partnership - Both Spouses or Civil Partners Blind	3,300	3,300
Dependent Relative	70	70
Home Carer Tax Credit	1,200	1,500

TAX RATES AND TAX BANDS

The tax rates and bands remain unchanged:

Personal Circumstances	2018 €	2019 €
Single or Widowed or Surviving Civil Partner, without qualifying child	34,550 @ 20% Balance @ 40%	35,300 @ 20% Balance @ 40%
Single or Widowed or Surviving Civil Partner, qualifying for Single Person Child Carer Credit	38,550 @ 20% Balance @ 40%	39,300 @ 20% Balance @ 40%
Married or in a Civil Partnership, one Spouse or Civil Partner with two	69,100 @ 20% Balance @ 40%	70,600 @ 20% Balance @ 40%
Married or in a Civil Partnership, both Spouses or Civil Partners with Income	43,550 @ 20% with increase of 25,550 max. Balance @ 40%	44,300 @ 20% with increase of 26,300 max. Balance @ 40%

UNIVERSAL SOCIAL CHARGE

The Standard Rates of USC

USC Thresholds			
2018		2019	
	Rate		Rate
Income up to €12,012.00	0.50%	Income up to €12,012.00	0.50%
Income from €12,012.01 to €19,372.00	2%	Income from €12,012.01 to €19,874.00	2%
Income from €19,372.01 to €70,044.00	4.75%	Income from €19,875.01 to €70,044.00	4.50%
Income above €€70,044.00	8%	Income above €€70,044.00	8%

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