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Budget 2024 - Highlights

BUSINESS TAXATION

CORPORATION TAX RATE

No changes to Corporation Tax announced. Minister for Finance will be publishing legislation to implement the 15% minimum effective tax rate for large companies as provided for under the OECD Pillar Two agreement.

CAPITAL GAINS TAX

- A new relief is being introduced to encourage angel investment in innovative start ups. The relief will be available to an individual who invests in an innovative start-up SME for a period of 3 years. The investment must be in the form of fully paid up ordinary share capital of 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 of up to twice the value of their initial investment. There is a lifetime limit of €3 million on gains to which the reduced rate of CGT will apply.
- From 1 January 2025 Retirement Relief is being extended to bring the upper age limit from 65 to 70. The reduced relief which was available on disposals from age 66 onwards will now apply from age 70. From 1 January 2025 there will be a new limit of €10 million on the relief available on disposals to a child up to the age of 70.

BUSINESS SUPPORTS

- The Research and Development (R&D) tax credit is being increased from 25% to 30% in respect of 2024 expenditure, for which claims will be filed in 2025. The first year R&D payment threshold allows for a claim up to the threshold amount to be paid in full in year 1, rather than over three years. The current R&D threshold of €25,000 is being increased to €50,000.
- The Film Corporation Tax Credit is being enhanced whereby the maximum qualifying expenditure in respect of certain audiovisual productions for which the 32% credit can be granted (currently capped at €70 million) is being increased to €125 million.
- The accelerated capital allowances scheme for Energy Efficient Equipment is being extended for two years to 31 December 2026.

- From 1 January 2024, the minimum holding period to obtain relief for Employment Investment Incentive (EII) is being standardised to 4 years for all investments and the limit on the amount that an investor can claim relief on for such investments is being increased to €500,000.
- The temporary relief from benefit in kind (BIK) of €10,000 applied to the Original Market Value of a vehicle (including vans) for vehicles in category A-D and the amendment to the lower limit of the highest mileage band is being extended to 31 December 2024.
- The tapering mechanism applied to BIK relief for electric vehicles is being enhanced by extending the current Original Market Value deduction of €35,000 until the end of 2025 followed by a reduction to €20,000 in 2026 and €10,000 in 2027.

PROPERTY / BUILDING

- A new tax relief for landlords is being introduced from 1 January 2024. It will provide relief at the standard rate of income tax. Relief will be as follows €3,000 in 2024, €4,000 in 2025 and €5,000 in 2026 and 2027. A full clawback of the benefit of the relief will apply in the event that the landlord removes any property (held in the first year the benefit is claimed) from the rental market within 4 years.
- Vacant Homes Tax is being increased from three to five times a property's existing base Local Property Tax liability, effective from 1 November 2023.
- The Residential Zoned Land Tax (RZLT) liability date is being extended by one year to allow for the planned 2024 review of maps to take place.
- The concrete product levy will no longer apply to pouring concrete used in the manufacture of precast concrete products. A refund scheme will apply for those who paid the levy on such concrete between 1 September 2023 and 31 December 2023.

MINIMUM WAGE INCREASE

- From 1 January 2024 the national minimum wage will increase by €1.40 per hour to €12.70 per hour.

PERSONAL TAX

INCOME TAX

- There were no changes to the Income Tax rates.
- The exemption limits, tax credits and standard rate bands applicable for the tax year 2024 are set out in detail under the **Personal Tax Facts** section.
- Any changes that have been made to the rates and bands for USC are set out in detail under the **Personal Tax Facts** section.

TAX CREDITS/ BANDS

- The Standard Rate Band is being increased by €2,000 per person.
- The Minister has increased Personal Tax credits, Employee Tax Credit and the Earned Income Credit by €100.
- The Home Carer Tax Credit and the Single Person Child Carer credit are increasing by €100.
- The Incapacitated Child Tax Credit is increasing by €200.

HELP TO BUY SCHEME (HTB)

- The scheme is being continued at the current rates until the end of 2025.
- The scheme is being amended to ensure that applicants of the local authority affordable purchase scheme can avail of the Help to Buy Scheme. This change comes into effect from 11 October 2023 and will run until the end of 2025.

RENTAL TAX CREDIT

- The tax credit is being increased to €750 for 2024.
- This credit will be extended to parents who pay for their student children's rental accommodation in respect of tenancies in 'Rent a Room' or 'digs' accommodation. This will be backdated to allow for claims to be made for the 2022 and 2023 tax years.

MORTGAGE INTEREST RELIEF

- A one year Mortgage Interest Relief for homeowners with an outstanding balance on their primary dwelling house of between €80,000 and €500,000 as of 31 December 2022 is being introduced.
- Relief will be available for qualifying homeowners in respect of increased interest paid on their mortgage in the calendar year 2023 as compared with the amount paid in 2022, at the standard rate of income tax. The relief will be capped at €1,250 per property.

CAPITAL ACQUISITIONS TAX

- Amendments are to be proposed to ensure that foster children can avail of the Group B Capital Acquisitions Tax threshold in recognition of their relationship to their foster parents.

FARMERS TAX

- The farmers flat rate VAT scheme is being reduced from 5.0% to 4.8% with effect from 1 January 2024.
- Consanguinity relief (Stamp Duty) is being extended to 31 December 2028. This relief reduces the rate of stamp duty applicable to the transfer of farmland between family members from 7.5% to 1%.
- Stock relief applicable to young trained farmers and registered farm partnerships is to increase from €15,000 to €20,000 in the case of qualifying periods commencing on or after 1 January 2024.
- Stock relief for young trained farmers, relief for succession farm partnerships and young trained farmers stamp duty relief are being amended to increase the aggregate lifetime amount of relief available to a person under these reliefs, from €70,000 to €100,000 from 1 January 2024.
- Accelerated capital allowances of 50% per annum for eligible farm safety equipment is being extended to 31 December 2026.
- Land leasing Income Tax relief will be amended so that it only becomes available when land has been owned for seven years.

VAT

- From 1 January 2024, the existing VAT registration thresholds are being increased from €37,500 for services and €75,000 for goods to €40,000 for services and €80,000 for goods.
- The 9% VAT rate for electricity and gas has been extended until 31 October 2024.
- The VAT rate for audiobooks and e-books is being reduced from 9% to Zero from 1 January 2024.
- The VAT rate for the supply and installation of solar panels installed in schools is being reduced to zero from 1 January 2024.

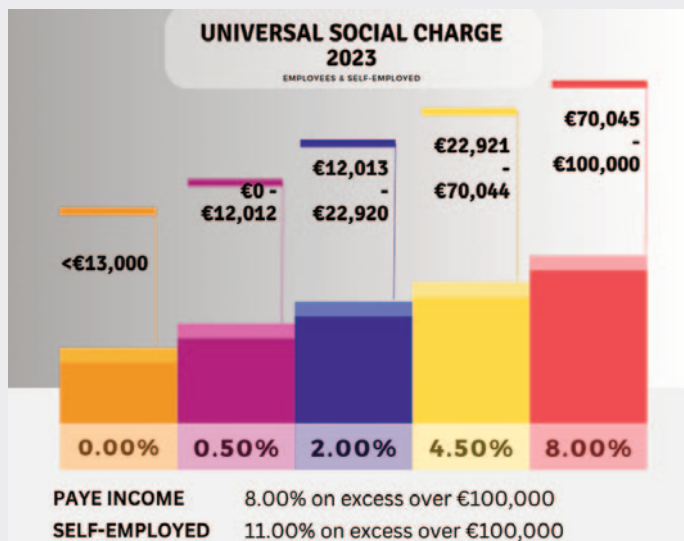
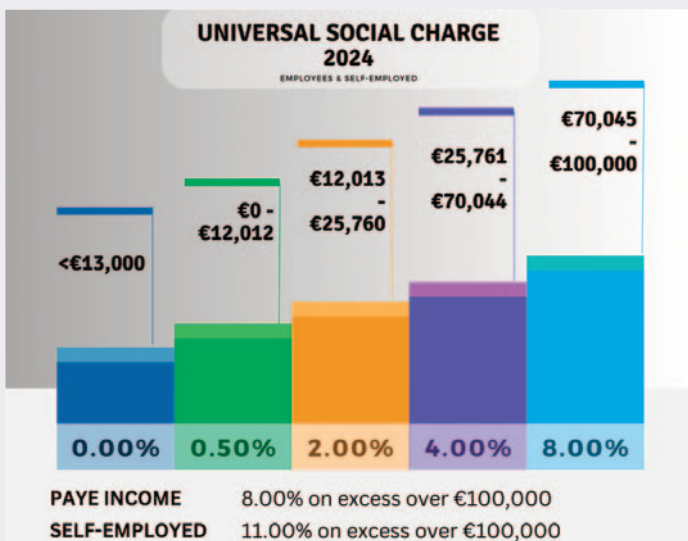
PERSONAL TAX FACTS

TAX CREDITS	2024 €	2023 €		2024 €	2023 €
Personal					
Single	1,875	1,775	Fisher Tax Credit	1,270	1,270
Married	3,750	3,550			
Widowed Person	2,415	2,315	Incapacitated Child	3,500	3,300
Single Person Child Carer	1,750	1,650			
Home Carer Credit	1,800	1,700	Dependant Relative	245	245
Earned Income Credit*	1,875	1,775	Blind Person		
PAYE	1,875	1,775	Single / Married	1,650	1,650
			Married (both blind)	3,300	3,300
Widowed Parent Bereavement			Age Credit		
Tax Credit year 1	3,600	3,600	Single / Widowed	245	245
Tapering to year 5	1,800	1,800	Married	490	490

* No Earned Income Credit where an individual is entitled to a PAYE credit.

INCOME TAX RATES		INCOME TAX EXEMPTION LIMITS		
Single Persons	Married Persons			
2024	2024		2024	2023
	(Two Incomes)		€	€
20% First €42,000	20% First €84,000**	Single or Widowed 65 years or over	18,000	18,000
40% Balance	40% Balance			
LONE PARENT	(One income)	Married Couples 65 years or over	36,000	36,000
20% First €46,000	20% First €51,000			
40% Balance	40% Balance			

** Transferable between spouses up to a maximum of €51,000 for any one spouse. Subject to confirmation in Finance Act.



PRSI

	2024	2023
Employer		
Contribution for Class A		
PRSI	10.05%	10.05%
Training Levy	1.00%	1.00%
Total for Employer	11.05% on all income 8.8% on earnings less than €441 p.w.	11.05% on all income 8.8% on earnings less than €441 p.w.
Employee		
PRSI	* 4.00% on all income	* 4.00% on all income
Self-Employed / Directors Contributions		
PRSI	** 4.00% on all income	** 4.00% on all income

* Not applicable if earnings less than €18,300p.a. (€352 p.w.) **4.00% subject to minimum payment of €500.
It is proposed from 1st October 2024 that all PRSI contribution rates will increase by 0.1%.

As this release is intended as a general guide to the subject matter, it should not be used as a basis for decisions. For this purpose advice should be obtained which takes into account all the client's circumstances. Every effort has been made to ensure the accuracy of the information in the release. In view of its purpose the reader will appreciate that we are unable to accept liability for any errors or omissions which may arise.