

R|B|K

Budget 2026



BUDGET OVERVIEW

Finance Minister Paschal Donohoe has unveiled the details of Budget 2026, including a surprise change to how derelict properties are taxed, a cut to the hospitality VAT rate, and an extension of the rent tax credit for another three years.

Unlike recent years, the €9.4 billion package is without once-offs like double child benefit payments and electricity credits. But there are extensions to reliefs for mortgage holders and renters as well as a cut in student fees. This year's package doesn't feature a 'cost of living' package nor is there a broad-strokes personal tax package.

The tax package has been pared back by €200 million to allow for more targeted spending in supports for the most vulnerable – meaning that €1.3 billion, not €1.5 billion, in taxation measures in this budget.

A contingency fund of €1 billion is being set up to respond to spending pressures, and to cover the costs of hosting the EU presidency next year.



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Budget 2026

WELFARE

- A €10 across-the-board increase to core weekly welfare payments including the old-age pension
- A Christmas bonus will be retained
- Child support payments will increase by €8 for kid under 12 and €16 for those aged 12 and over
- Eligibility for fuel allowance will be extended to those receiving working family payments
- Income thresholds for the working family payment will go up by €60
- The income disregard for carers' allowance to increase to €1,000 for a single person and €2,000 for a couple

CHILDCARE, CHILDREN & DISABILITIES

- Increase in spending on disabilities of at least €500 million, but potentially more than €600 million
- There will be money for "thousands" more childcare places and wage increases for those working in the sector
- The back-to-school clothing and footwear allowance will be extended to two and three year olds



EDUCATION

- A new DEIS+ scheme for schools with the highest levels of education disadvantage
- 860 new special education teachers
- 1,700 new SNAs
- New Education Therapy Service to roll out therapy supports directly into special schools
- Increase in school funding across primary and post-primary schools

THIRD LEVEL

- Students fees will reduce by €500 to €2,500
- Income thresholds for SUSI grants will rise by €5,000 to €120,000 per household



HOUSING, MORTGAGE HOLDERS & RENTERS

- Help to Buy to be extended
- Renters tax credit extended for three years at its current level of €1,000 for an individual or €2,000 for a couple
- VAT on the sale of new apartments to be reduced from 13.5% to 9%
- Exemptions / reductions in corporation tax on profits from the sale of some apartments, including Cost Rental Schemes
- Mortgage interest tax relief extended for two years, but reduced for the final year, €1,250 for 2025, and €625 for 2026



ENERGY, CLIMATE & UTILITY BILLS

- Increase of over 2c per litre at the fuel pumps
- Lower VAT of 9% on utility bills will be extended for three years to the end of 2028
- €588 million for SEAI residential and community energy upgrade schemes, an €89 million increase on last year
- Increase in the rate per tonne of carbon dioxide emitted for all propellant fuels from €63.50 to €71

TRANSPORT

- Reduced public transport fares will be maintained for next year
- €5,000 VRT relief for EVs extended to end 2026
- BIK for company cars extended on a tapered basis – worth €10,000 next year, €5,000 in 2027, and €2,500 in 2028. It will be abolished in 2029



ENTERPRISE

- VAT on food businesses, catering and hairdressing will reduce from 13.5% to 9% from July 2026. This will cost €232 million next year and €681 million in a full year
- Minimum wage increased by 65c to €14.15 per hour
- Research and Development tax credits will be overhauled
- The R&D credit rate will rise from 30% to 35%, the first year payment threshold rises to €87,500 to support smaller projects
- CGT revisions with entrepreneurial relief reformed with the lifetime limit raised from €1 million to €1.5 million
- The Special Assignee Relief Programme has been extended for five years and increased minimum qualifying income raised to €125,000 p.a.
- Banking levy extended by another year with a target yield of €200 million



THE ARTS, SPORTS & EDUCATION

- Basic Income for Artists scheme to be retained on a permanent basis, rather than as a pilot scheme
- Section 481 film tax credit will see a new 40% rate of relief for productions with €1 million, up to a maximum of €10 million per production
- The Digital Games tax credit will be extended for six years until the end of 2031
- €10 million more for sports, including €3 million for the FAI's academy system
- €15 million for An Post
- €33 million for the National Broadband Plan

AGRICULTURE

- Increased budget including more funding for the new TB action plan

OLD RELIABLES

- Excise duty increase of 50 cent on a box of cigarettes with pro rata increase on other tobacco product

HEALTH

- The final allocation for health will be €27.3 billion, an increase of €1.5 billion on 2025
- 300 more staff for mental health services
- 100 more clinicians for mental health crisis, incl. specialist teams to be placed in model 4 emergency departments out of hours
- New crisis resolution teams, incl. drop-in crisis cafes to be established next year

JUSTICE

- Up to 1,000 additional gardaí in 2026
- More money for body cameras, victim support, youth diversion and domestic violence programmes
- More spending on resources to speed up immigration processing

TAX CREDITS FOR YEAR 2026

PERSONAL	2026	2025
	€	€
Single	2000	2000
Married	4000	4000
Widowed Person	2540	2540
Single Person Child Carer	1900	1900
Home Carer Credit	1950	1950
Earned Income Credit	2000	2000
PAYE	2000	2000
WIDOWED/PARENT BEREAVEMENT	2026	2025
Tax Credit (In Year of Assessment)	3,600	3,600
Incapacitated Child	3,800	3,800
Dependant Relative	305	305
BLIND PERSON	2026	2025
Single/Married	1,950	1,950
Married (both blind)	3,900	3,900
AGE CREDIT	2026	2025
Single/Widowed	245	245
Married	490	490

INCOME TAX RATES 2026

SINGLE PERSON	MARRIED PERSON
2026	2026 (two incomes)
20% of 1st €44,000	20% of 1st €88,000**
40% Balance	40% Balance <i>** Transferable between spouse up to a max of €35,000 for any one spouse</i>
Single Parents	(One Income)
20% of 1st €48,000	20% of 1st €53,000
40% Balance	40% Balance

INCOME EXEMPTION LIMITS

SINGLE/WIDOWED	2026	2025
	€	€
65 years or over	18,000	18,000
MARRIED COUPLES	2026	2025
	€	€
65 years or over	36,000	36,000

UNIVERSAL SOCIAL CHARGE

2026	EMPLOYEE & SELF-EMPLOYED	2025
0% on total earnings <€13,000 per annum		0% on total earnings <€13,000 per annum
0.5% on €0 to €12,012 per annum		0.5% on €0 to €12,012 per annum
2% on €12,013 to €28,700 per annum		2% on €12,013 to €27,382 per annum
3% on €28,701 to €70,044		3% on €27,382 to €70,044
8% on €70,045 to €100,000		8% on €70,045 to €100,000
PAYE INCOME 8% on excess over €100,000		PAYE INCOME 8% on excess over €100,000
SELF EMPLOYED INCOME 11% on excess over €100,000		SELF EMPLOYED INCOME 11% on excess over €100,000

PRSI

EMPLOYER	2026	2025
Contribution for Class A		
PRSI	10.25%	10.25%
TRAINING LEVY	1.00%	1.00%
TOTAL FOR EMPLOYERS	11.25% on all income***	11.25% on all income***

EMPLOYEE	2026	2025
PRSI	*4.1% on all income	*4% on all income
SELF EMPLOYED/ DIRECTORS CONTRIBUTION	2026	2025
PRSI	**4.1% on all income	**4% on all income
* Not applicable if earnings less than €18,300 p.a. (€352 p.w.)		
**4.1% subject to a minimum payment of €500		
*** €410 earnings per week		

Please note that this Budget Briefing is merely a general guide and should not be use as a substitute for professional financial advice. Decision making should be based on sound professional advice, taking into account your individual circumstances. While we have made every effort to ensure the accuracy of this Budget Briefing, we do not take any responsibility or liability for any omissions or errors, losses or injuries cause.