



# 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.



**Ronan McGivern**  
Head of Tax, Tax Partner



**Mike Scanlan**  
Tax Director

**Dublin**  
Termini,  
3 Arkle Road,  
Sandyford, Dublin,  
D18 C9C5,

+353 1 6440100

**Athlone**  
RBK House, Irishtown  
Athlone,  
Co. Westmeath,  
N37 XP52,

+353 90 6480600

**Roscommon**  
RBK House, Castle Street,  
Roscommon,  
Co. Roscommon,  
F42 NR79,

+353 90 6626750

**RBK Incorporating  
OMC O'Malley  
& Company**  
Upper Chapel Street  
Castlebar  
Co Mayo,  
F23 PF21

+353 94 9023242

**RBK Incorporating  
MCP Accountants**  
Breaffy Road  
Castlebar  
Co Mayo,  
F23 DY67

+353 94 9022622

[www.rbk.ie](http://www.rbk.ie)

[enquiries@rbk.ie](mailto:enquiries@rbk.ie)

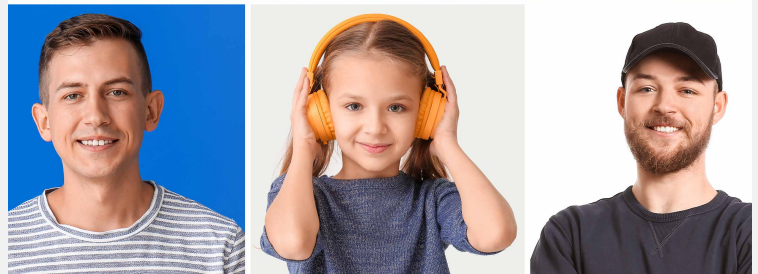
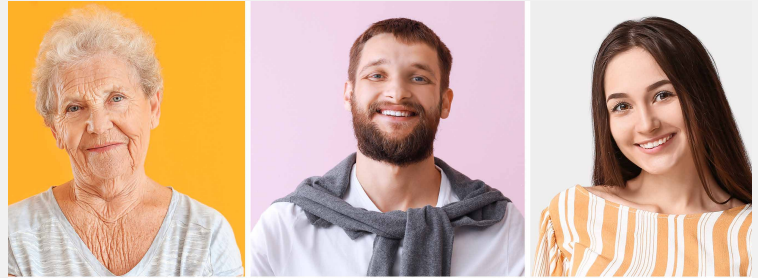


**RBK**

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

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