

# Taxation Reference Material

Republic of Ireland

For use in First- and Second-Year Taxation Examinations  
Summer & Autumn 2023

UPDATED OCTOBER 2022

### TAX RATES AND TAX BANDS

Personal Circumstances	Tax Year 2022
Single, Widowed or a Surviving Civil Partner without qualifying children	€36,800 @ 20%, Balance @ 40%
Single, Widowed or a Surviving Civil Partner qualifying for Single Person Child Carer Credit	€40,800 @ 20%, Balance @ 40%
Married or in a Civil Partnership – one Spouse or Civil Partner with income	€45,800 @ 20%, Balance @ 40%
Married or in a Civil Partnership – both Spouses or Civil Partners with income	€73,600 @ 20% (see note) Balance @ 40%

**Note:** The increase in the standard rate tax band for married couples from €45,800 is restricted to the lower of €27,800 or the amount of the income of the Spouse or Civil Partner with the lower income.

## PERSONAL TAX CREDITS

Personal Circumstances	
Single Person	€1,700
Married Person or Civil Partner	€3,400
Widowed Person or Surviving Civil Partner – qualifying for Single Person Child Carer Credit	€1,700
Widowed Person or Surviving Civil Partner without qualifying children	€2,240
Widowed Person or Surviving Civil Partner in year of bereavement	€3,400
Single Person Child Carer Credit (with qualifying child)	€1,650
Widowed Person or Surviving Civil Partner Tax Credit (with qualifying child)	
– First year after death	€3,600
– Second year after death	€3,150
– Third year after death	€2,700
– Fourth year after death	€2,250
– Fifth year after death	€1,800
Home Carer Tax Credit (max)	€1,600
Employee (PAYE) Tax Credit	€1,700
Earned Income Tax Credit	€1,700
Age Tax Credit if Single, Widowed or Surviving Civil Partner	€245
Age Tax Credit if Married or in a Civil Partnership	€490
Incapacitated Child Credit	€3,300
Dependent Relative Tax Credit (See Note 1)	€245
Incapacitated Person – Relief for Employing a Carer (See Note 2)	€75,000 max.
Blind Tax Credit - Single Person	€1,650
Blind Tax Credit - One Spouse or Civil Partner blind	€1,650
Blind Tax Credit - both Spouses or Civil Partners blind	€3,300
Guide Dog allowance	€825

**Note 1:** In the case of Dependent Relative Tax Credit, if the relative's income exceeds the relevant limit of €15,740 then no tax credit is due.

**Note 2:** Relief for Employing a Carer is allowable at the individual's highest rate of tax, i.e., 20% or 40%.

## EXEMPTION LIMITS

Exemption limits for Single or Widowed or Surviving Civil Partner, Couples in a Marriage or Civil Partnership and additional amount(s) for qualifying children.

Personal Circumstances	
Single, Widowed or Surviving Civil Partner 65 years of age or over	€18,000
Married or in a Civil Partnership 65 years of age or over	€36,000
Single, Widowed, a Surviving Civil Partner, Married or in a Civil Partnership 65 years of age or over	
Additional for 1st and 2nd qualifying child	€575
Single, Widowed, a Surviving Civil Partner, Married or in a Civil Partnership 65 years of age or over	
Additional for each subsequent qualifying child	€830
Marginal Relief Tax Rate	40%

## RETIREMENT ANNUITY PREMIUMS – RELEVANT LIMITS

AGE	MAXIMUM CONTRIBUTION
Less than 30 years of age	15%
30 years of age but less than 40 years	20%
40 years of age but less than 50 years	25%
50 years of age but less than 55 years	30%
55 years of age but less than 60 years	35%
60 years of age or more	40%
Relevant earnings ceiling	€115,000

## TUITION FEES

Tax relief at the standard rate of tax (20%) is available for certain tuition fees. The maximum limit on such qualifying fees for the academic year is €7,000 per individual per course, subject to the following disregarded amounts:

Where any one of the students in respect of whom relief is claimed is a full-time student	€3,000 disregard in respect of each claim
Where all the students in respect of whom relief is claimed are part-time students	€1,500 disregard in respect of each claim

## RATE OF DIRT

From 01/01/2020 33%

## BENEFIT-IN-KIND

### Preferential Loans

Loan for purpose of Principal Private Residence	4%
Other loans	13.5%

### Accommodation

Annual market value rent plus any related expenses	
Notional annual value for furniture provided based on market value	5%

## MOTOR BENEFIT-IN-KIND SCALE

Business Travel	BIK rate
24,000 and below	30%
24,001 to 32,000	24%
32,001 to 40,000	18%
40,001 to 48,000	12%
48,001 and over	6%

## CAPITAL ALLOWANCES

Plant and Machinery	Maximum allowance
Plant purchased on or after 4th December 2002	12.5%

Emissions-Based Limits on Capital Allowances and Leasing expenses for expenditure incurred on motor vehicles from 1 January 2021;		
Category	Emissions Levels	Restricted Amount
Group 1 (A & B)	Up to and including 140g/km	€24,000
Group 2 (C)	Between 140g/km and 155g/km	Lower of €12,000 or 50% of cost of the car
Group 3 (D, E & F)	Over 155g/km	Nil

For expenditure incurred or lease agreements entered into prior to 1 January 2021, the group categories are as follows:

Group 1 – categories A, B and C motor vehicles (emissions levels up to and including 155g/km)

Group 2 – categories D and E motor vehicles (emissions level between 156g/km to 190g/km)

Group 3 – group F motor vehicles (emissions levels over 190g/km)

## PAYE EMERGENCY BASIS

		Tax Credit €	Standard Rate cut-off point €
Weekly Paid	First 4 weeks	Nil	708.00
	Each subsequent week	Nil	Nil
Monthly Paid	First month	Nil	3,067.00
	Each subsequent month	Nil	Nil

**Note:** If an employee does not provide his employer with a PPS number or other relevant documentation NO standard rate cut-off point is available in the first week/month of employment. In such a case, the employee's earnings will be subject to the marginal tax rate immediately, with no tax credits available.

### PRSI

PRSI Class	Weekly Earnings Band	How Much of Weekly Earnings	Employer	Employee
A0	€38 – €352 incl.	All	8.8%	Nil
AX2	€352.01 – €410 incl.	All	8.8%	4%
AL2	€410.01 – €424 incl.	All	11.05%	4%
A1	In excess of €424	All	11.05%	4%
S03	Up to €500	All	N/a	4%
S13	In excess of €500	All	N/a	4%

#### Notes:

- For PRSI purposes, reckonable earnings are calculated separately for husband and wife
- PRSI credit applies. Employees earning between €352.01 and €424 are entitled to a maximum credit of €12 per week. The credit is reduced if earnings exceed €352.01 as follows:  
€12 less (Excess earnings over €352.01 x 1/6)
- These rates are also applicable to “self-employed” persons and are subject to a minimum contribution of €500.

### UNIVERSAL SOCIAL CHARGE (USC)

The USC is a tax payable on gross income, including notional pay, after relief for certain capital allowances, but before pension contributions. The rates and thresholds of the Universal Social Charge are as follows:

Individual aged under 70 years	Rate of USC
Income up to €12,012.00	0.50%
Income from €12,012.01 to €21,295.00	2.00%
Income from €21,295.01 to €70,044.00	4.50%
Income above €70,044.00	8.00%

For individuals aged 70 years or over whose aggregate income for the year is €60,000 or less, or individuals (aged under 70) who hold a full medical card whose aggregate income for the year is €60,000 or less, the following rates of USC apply:

Individual aged over 70 years	Rate of USC
Income up to €12,012.00	0.5%
Income over €12,012.00	2.0%

There is a surcharge of 3% on non-PAYE income exceeding €100,000 in a year, regardless of the age of the individual.

The USC rate for Emergency Tax basis is 8%.

### USC EXEMPT CATEGORIES FOR TAX YEAR 2022

- Where an individual's total income for a year does not exceed €13,000
- All Department of Social Protection payments and payments similar in nature to such payments paid by other Governmental bodies (see full list at Additional Note 1 at the end of this document)
- Income already subject to DIRT
- Income qualifying for Childcare services relief, Rent-a-room relief, scholarships, and exempt employer benefits.

### CORPORATION TAX

RATES OF TAX	From 1st January 2003
Standard rate	12.5%
Special rate – non-trade income and certain trading activities	25%

### CAPITAL GAINS TAX

6/12/2012 onwards                      33%

### CAPITAL GAINS TAX – ANNUAL ALLOWANCE

€1,270 annual exemption per individual



### CAPITAL GAINS TAX - INDEXATION TABLES

Year of Assessment in which Expenditure was Incurred	Multiplier for Disposal in Year Ended			
	<i>31 Dec 2001</i>	<i>31 Dec 2002</i>	<i>31 Dec 2003</i>	<i>2004 et seq</i>
1974/75	6.930	6.930	7.528	7.528
1975/76	5.597	5.597	6.080	6.080
1976/77	4.822	4.822	5.238	5.238
1977/78	4.133	4.133	4.490	4.490
1978/79	3.819	3.819	4.148	4.148
1979/80	3.445	3.445	3.742	3.742
1980/81	2.983	2.983	3.240	3.240
1981/82	2.465	2.465	2.678	2.678
1982/83	2.074	2.074	2.253	2.253
1983/84	1.844	1.844	2.003	2.003
1984/85	1.674	1.674	1.819	1.819
1985/86	1.577	1.577	1.713	1.713
1986/87	1.507	1.507	1.637	1.637
1987/88	1.457	1.457	1.583	1.583
1988/89	1.430	1.430	1.553	1.553
1989/90	1.384	1.384	1.503	1.503
1990/91	1.328	1.328	1.442	1.442
1991/92	1.294	1.294	1.406	1.406
1992/93	1.249	1.249	1.356	1.356
1993/94	1.226	1.226	1.331	1.331
1994/95	1.205	1.205	1.309	1.309
1995/96	1.175	1.175	1.277	1.277
1996/97	1.152	1.152	1.251	1.251
1997/98	1.134	1.134	1.232	1.232
1998/99	1.115	1.115	1.212	1.212
1999/00	1.098	1.098	1.193	1.193
2000/01	1.053	1.053	1.144	1.144
2001	-	-	1.087	1.087
2002	-	-	1.049	1.049
2003 et seq	-	-	1.000	1.000

## VALUE ADDED TAX RATES

### EXEMPTED ACTIVITIES

Certain financial services, including banking and stock exchange activities; insurance services; educational and training services provided by recognised educational bodies; medical, dental and optical services and hospital and nursing home services; certain welfare services and non-profit making activities; theatrical, certain musical and cultural services; letting of certain immovable goods; certain agency services; transport of passengers and their baggage; admission to sporting events; betting.

### GOODS AND SERVICES CHARGEABLE AT 0%

Most basic food and drinks for human consumption, oral medicine, certain books, children's clothing and footwear, most exports outside the state and related services, certain medical appliances, most animal feeding stuff except those sold for domestic pets, fertiliser, certain services connected with marine and aircraft navigation and safety.

### GOODS AND SERVICES CHARGEABLE AT THE 9% RATE (up to the period 31 August 2022)

Certain printed matter such as printed newspapers and periodicals. Electronic publications, but excluding content that is predominantly advertising, audible music or video content, the provision of sporting facilities.

From 1 November 2020 to 28 February 2023, the rate is extended to the provision of restaurant and catering services, hotel and holiday accommodation, admissions to cinemas, theatres, certain musical performances, museums and art gallery exhibitions, fairgrounds or amusement park services, hairdressing services.

From 1 May 2022 to 31 October 2022, the rate is extended to the supply of electricity, the supply of gas used for domestic or industrial heating or lighting.

### GOODS AND SERVICES CHARGEABLE AT THE 13.5% RATE

Development of immovable goods and building services, concrete, tour guide services, short-term hire of cars, boats, caravans; coal, electricity and fuels for heating and power (see note above relating to VAT rate for 2022), certain cakes, most photographic services, most repair or maintenance services, garage services, dry cleaning, driving lessons, waste disposal, veterinary surgeons, general agricultural services, certain printed matter such as brochures, maps, programmes, leaflets, catalogues, and printed sheet music.

### GOODS AND SERVICES CHARGEABLE AT THE 23% RATE

Generally, goods and services not chargeable under any other heading, except certain live animals.

**Additional Note 1: List of payments from other Government departments similar to Department of Employment Affairs and Social Welfare payments**

- Blind Welfare Supplementary Allowance
- Community Employment Scheme
- Farm Retirement Pensions
- Fund for Students with Disabilities
- JobBridge
- Job Initiative Scheme
- Mobility Allowance
- Social welfare payments received from another country
- Vocational Training Opportunities Scheme (VTOS)
- Youthreach Training Allowance.

