

# Taxation Reference Material Syllabus 2021/22

Republic of Ireland

For use in First and Second Year Taxation Examinations  
Summer & Autumn 2022



**TAXATION REFERENCE MATERIAL**  
**FOR THE 2021 TAX YEAR**

**Tax Rates and Tax Bands**

Personal Circumstances	Tax Year 2021
Single, Widowed or a Surviving Civil Partner without qualifying children	€35,300 @ 20%, Balance @ 40%
Single, Widowed or a Surviving Civil Partner qualifying for Single Person Child Carer Credit	€39,300 @ 20%, Balance @ 40%
Married or in a Civil Partnership – one Spouse or Civil Partner with income	€44,300 @ 20%, Balance @ 40%
Married or in a Civil Partnership – both Spouses or Civil Partners with income	€70,600 @ 20% (with a maximum increase of €26,300), Balance @ 40%

**Note:** The increase in the standard rate tax band is restricted to the lower of €26,300 or the amount of the income of the Spouse or Civil Partner with the lower income. The increase is not transferable between Spouses or Civil Partners.

## Personal Tax Credits

Personal Circumstances	Tax Year 2021
Single Person	€1,650
Married Person or Civil Partner	€3,300
Widowed Person or Surviving Civil Partner – qualifying for Single Person Child Carer Credit	€1,650
Widowed Person or Surviving Civil Partner without qualifying children	€2,190
Widowed Person or Surviving Civil Partner in year of bereavement	€3,300
Single Person Child Carer Credit (with qualifying child)	€1,650
Widowed Person or Surviving Civil Partner Tax Credit (with qualifying child)	
– Bereaved in 2020	€3,600
– Bereaved in 2019	€3,150
– Bereaved in 2018	€2,700
– Bereaved in 2017	€2,250
– Bereaved in 2016	€1,800
Home Carer Tax Credit (max)	€1,600
Employee (PAYE) Tax Credit	€1,650
Earned Income Tax Credit	€1,650
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
Blind Tax Credit – Single Person (See Note 2)	€1,650
Blind Tax Credit – One Spouse or Civil Partner Blind (See Note 2)	€1,650
Blind Tax Credit – Both Spouses or Civil Partners Blind (See Note 2)	€3,300
Incapacitated Person – Relief for Employing a Carer (See Note 3)	€75,000 max.

**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 in respect of the cost of maintaining a guide dog (max €825) may be claimed under the heading of Health Expenses.

**Note 3:** 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	Tax Year 2021
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

**PAYE EMERGENCY BASIS**

		<i>Tax Credit</i>	<i>Standard Rate cut-off point</i>
		€	€
Weekly Paid	First 4 weeks	Nil	679.00
	Each subsequent week	Nil	Nil
Monthly Paid	First month	Nil	2,942.00
	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.

**RATE OF D.I.R.T**

01/01/2014 to 31/12/2016	41%
01/01/2017 to 31/12/2017	39%
01/01/2018 to 31/12/2018	37%
01/01/2019 to 31/12/2019	35%
From 01/01/2020	<b>33%</b>

**BENEFIT IN KIND**

<b>Preferential Loans</b>	<b>2021</b>
Loan for purpose of Principal Private Residence	4%
Other loans	13.5%

**Accommodation**

Notional annual value for furniture provided – 5% of the market value of property.

**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%

**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;

	Year of Assessment 2021
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

**CAPITAL ALLOWANCES****Maximum allowance****Plant and Machinery**

Plant purchased on or after 4th December 2002 12.5%

<b>Emissions-Based Limits on Capital Allowances and Leasing expenses for expenditure incurred on motor vehicles from 1 January 2021;</b>		
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

Group 2 – categories D and E motor vehicles

Group 3 – group F motor vehicles

**PRSI FOR 2021 TAX YEAR**

PRSI Class	Weekly Earnings Band	How Much of Weekly Earnings	Employer	Employee
A0	€38 – €352 incl.	All	8.8%	Nil
AX <sup>2</sup>	€352.01 – €398 incl.	All	8.8%	4%
AL <sup>2</sup>	€398.01 – €424 incl.	All	11.05%	4%
A1	In excess of €424	All	11.05%	4%
S0 <sup>3</sup>	Up to €500	All	N/a	4%
S1 <sup>3</sup>	In excess of €500	All	N/a	4%

**Notes:**

- 1: For PRSI purposes, reckonable earnings are calculated separately for husband and wife
- 2: 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).
- 3: 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	
Tax Year 2020	Rate of USC
Income up to €12,012.00	0.50%
Income from €12,012.01 to €20,687.00	2.00%
Income from €20,687.01 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:

Tax Year 2021	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.

### USC EXEMPT CATEGORIES FOR TAX YEAR 2021

- Where an individual's total income for a year does not exceed €13,000
- All Dept. 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.



**CAPITAL GAINS TAX – STANDARD RATES**

15/10/2008 to 7/04/2009	22%
8/4/2009 to 6/12/2011	25%
7/12/2011 to 5/12/2012	30%
6/12/2012 onwards	33%

**CAPITAL GAINS TAX - ALLOWANCES**

€1,270 annual exemption per individual

**CORPORATION TAX****RATES OF TAX**

	<b>From 1st January 2003</b>
Standard rate	12.5%
Special rate – non-trade income and certain trading activities	25%

### 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

The main items under the following headings are:

### 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 (including goods and services temporarily reduced for tax year 2021)

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, 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.

### 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, 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.