

APPENDIX

Taxation Reference Material

Republic of Ireland

For use in First and Second Year Taxation Examinations
Summer & Autumn 2020

TAXATION REFERENCE MATERIAL

FOR THE 2019 TAX YEAR

(To be used by candidates in answering the Taxation papers)

Tax Rates and Tax Bands

Personal Circumstances	Tax Year 2019
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 an increase of €26,300 max), 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 2019
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), Widowed Person or Surviving Civil Partner, Deserted, Separated, Dissolved Civil Partnership, Divorced or Single	€1,650
Widowed Person or Surviving Civil Partner Tax Credit (with qualifying child)	€3,600
– Bereaved in 2018	€3,150
– Bereaved in 2017	€2,700
– Bereaved in 2016	€2,250
– Bereaved in 2015	€1,800
– Bereaved in 2014	
Home Carer Tax Credit (max)	€1,500
Employee (PAYE) Tax Credit	€1,650
Earned Income Tax Credit	€1,350
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)	€70

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*
Incapacitated Person – Relief for Employing a Carer**	€75,000**max

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

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

Note 1: In the case of Dependent Relative Tax Credit, if the relative's income exceeds the relevant limit of €14,753 then no tax credit is due.

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 2019
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 – LIMITS FOR 2019

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

If weekly paid:		<i>Tax</i>	<i>Standard Rate</i>
	<i>Week</i>	<i>Credit</i>	<i>cut-off point</i>
		€	€
	First 4 weeks	Nil	679.00
	Each subsequent week	Nil	Nil

If monthly paid:		<i>Tax</i>	<i>Standard Rate</i>
	<i>Month</i>	<i>Credit</i>	<i>cut-off point</i>
		€	€
	First month	Nil	2,942.00
	Each subsequent month	Nil	Nil

If an employee does not provide his employer with a PPS number or other relevant documentation the emergency system is applied on the following basis:

	Week/Month	<i>Tax</i>	<i>Standard Rate</i>
		<i>Credit</i>	<i>cut-off point</i>
	First week/month	Nil	Nil

RATE OF D.I.R.T

01/01/2009 to 07/04/2009	23%
08/04/2009 to 31/12/2010	25%
01/01/2011 to 31/12/2011	27%
01/01/2012 to 31/12/2012	30%
01/01/2013 to 31/12/2013	33%
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%

BENEFIT IN KIND

Preferential Loans	2019
Loan for purpose of Principal Private Residence	4%
Other loans	13.5%
Accommodation	
Notional annual value – 8% 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%
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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

Tuition Fee Amounts disregarded in respect of each claim

	Year of Assessment 2019
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%
Restricted Cost of Car for Lease Expenses	
Chargeable periods ending	Maximum Allowed
On or after 1 January 2007	€24,000

Emissions-Based Limits on Capital Allowances and Leasing expenses for Business cars

Effective where expenditure is incurred on the provision or hiring of a business car on or after 1 July 2008.

Vehicle Category	CO ₂ Emissions (CO ₂ g/km)	Allowance granted
A,B,C	0 g/km up to and including 155 g/km	€24,000
D,E	>155 g/km up to and including 190 g/km	50% of cost up to maximum of €12,000
F,G	>190 g/km	Nil

PRSI FOR 2019 TAX YEAR

	Weekly Earnings Band		How Much of Weekly Earnings	Rate
CLASS A0	€38 – €352 incl.	Employer Employee	All All	8.7% Nil
CLASS AX**	€352.01 – €386 incl.	Employer Employee	All All	8.7% 4%
CLASS AL**	€386.01 – €424 incl.	Employer Employee	All All	10.95% 4%
CLASS A1	In excess of €424	Employer Employee	All All	10.95% 4%
CLASS S0	Up to €500	Employer Employee *	All All	Nil 4%

CLASS S1	In excess of €500	Employer Employee *	All All	Nil 4%
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NOTES:	(1)	For PRSI purposes, reckonable earnings are calculated separately for husband and wife.
	(2)	* These rates are also applicable to “self employed” persons.
	(3)	** PRSI credit applies.

PRSI FOR 2019 TAX YEAR

Annual Figures

Employees

The rate of employees PRSI is 4% on gross income.

Employees earning €352 or less per week in 2019 are exempt from Employee PRSI.

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).

Employers

The standard rate of employers PRSI is 10.95%.

A reduced rate of 8.7% applies where an employee earns less than €386 per week.

Self Employed

The rate of PRSI for the self-employed is 4% and is payable only if annual income is €5,000 or more. The minimum annual contribution is €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 2019	Rate of USC
Income up to €12,012.00	0.50%
Income from €12,012.01 to €19,874.00	2.00%
Income from €19,874.01 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 2019	Rate of USC
Income up to €12,012.00	0.5%
Income over €12,012.00	2.0%

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

USC EXEMPT CATEGORIES FOR TAX YEAR 2019

- 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 Note 1)
- Income already subject to DIRT

CAPITAL GAINS TAX - 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

Tax year 2019 €1,270 annual exemption per individual

CORPORATION TAX

TAX CREDITS

From 6th April 1999, withholding tax is at the standard rate of Income 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 - 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, 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

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

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, commercial 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, the use of sporting facilities, hairdressing 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.

Note 1: List of Social-Welfare-Like Payments

Department of Social Protection and SOLAS

- Rural Social Scheme
- Farm/Fish Assist
- Community Employment Scheme
- Tús (community work placement initiative)
- Job Bridge (internship scheme) ¹
- Job Initiative Scheme
- Jobseeker's Allowance and Jobseeker's Benefit
- One-Parent Family Payment
- Widow(er)'s Pension

¹ The Job Bridge scheme was discontinued in late 2016. Any internships in operation at that time will be allowed to run for its duration.

Disability Allowance

Adult Dependent of a recipient of the non-contributory State Pension

Domiciliary Care Allowance

Health Service Executive (HSE)

Blind Welfare Supplementary Allowance

Mobility Allowance

Department of Education and Skills

Vocational Training Opportunities Scheme (VTOS)

Youthreach Training Allowances

Senior Traveller Training Allowances

Back to Education Initiative (BTEI) Training Allowances paid to Youthreach,
STTC or VTOS eligible participants on a pro-rata basis.

Vocational Education Committees' Scholarship Scheme

Fund for Students with Disabilities

Student Assistance Fund

Millennium Partnership Fund for Disadvantage

Department of Agriculture, Food and the Marine

Farm Retirement Pensions

Farm Retirement Workers Pensions