



Office 17, Building 5, Port Tunnel Business Park, Clonshaugh, Dublin 17  
Tel: +353 1 8774747 Fax: +353 1 8774748  
E-mail : info@ocarroll.biz

# BUDGET HIGHLIGHTS 2015



N<sup>o</sup> CARROLL & CO

# Personal/Income Tax

## Rates, Credits & Bands

Several changes in this Income Tax area with amendments to PAYE rates and the tax bands.

Tax rates were 20% and 41% now 20% and 40%.

• Tax Credits		<u>2014 &amp; 2015</u>		<u>2014 &amp; 2015</u>	
Single	€1,650			Widowed Person	€2,190
Married	€3,300			Widowed Parent (Year 1)	€3,600
One Parent Family	€1,650 (2013)			-Reducing annually to Year 5	€1,800
	Only available to main carer 2014				
PAYE Employee Credit	€1,650			Incapacitated Child	€3,300

  

• Personal Rate Bands			• Exemption Limits	
	<u>2014</u>	<u>2015</u>	<u>2014 &amp; 2015</u>	
Single	€32,800	€33,800	Single/Widowed 65 years or over	€18,000
Married (one income)	€41,800	€42,800	Married 65 years or over	€36,000
Married (two incomes)*	€65,600	€67,600		
Single/Widowed Parent	€36,800	€37,800		
Home Carers Credit	€810	No change		

\* Max transferable of €42,800

## DIRT

DIRT remains at 41%. First time buyers will get a refund of DIRT on savings used towards a deposit on a home from 15th October 2014.

## PRSI / USC

PRSI— No Changes.

USC— Increases in bands with corresponding decreases in the rates on the first two bands. However an additional band (8%) for income more than €70,004 for employees. While self employed will also pay the 8% from €70,004 to €100,000 and 11% over €100,000.

<u>2014</u>		<u>2015</u>	
< €10,036—Nil		< €12,012— Nil	
> €10,036		> €12,012	
First €10,036	2%	First €12,012	1.5%
€10,037 to €16,016	4%	€12,012 to €17,576	3.5%
> €16,017	7%	€17,576 to €70,004	7%
		> €70,004	8%
Self Employed > €100,000	10%	Self Employed > €100,000	11%

## Home Renovation Scheme

The tax credit of 13.5% available for qualifying home renovation and improvement to PPR during 2014 and 2015 has now been extended to rental properties owned by landlords subject to income tax.

## Seed Capital Scheme

Now renamed Start-Up Relief for Entrepreneurs (SURE) and now extended to long-term unemployed (greater than 24 months) where they set up their own business.

## Water Charges

Tax relief to be allowed on water charges (maximum of €500) at the standard rate of tax 20%. Tax relief will be in arrears.

## Rent a Room Relief

The threshold for rents which are exempted under the rent a room relief has been increased to €12,000 per annum.

## Artists Exemption

The threshold for exempt income has been raised by €10,000 to €50,000. Also it is being made available for those artists resident in another EU Member or in another EEA State.

## Special Assignee Relief Programme (SARP)

This relief has been extended to 2017 with a removal of the salary threshold and a relaxation of the residency rule and other changes.

## Employment & Investment Incentive

The changes announced include raising the company limits and increasing the holding period by 12 months.

## Foreign Earnings Deduction

Additional qualifying countries added plus an extension to the relief until the end of 2017. Also the number of days annually is reduced to 40 from 60 and the minimum stay reduced to 3 days with travelling time included as time spent abroad.

## Capital Gains Tax

No mention of any change to the current CGT rate of 33%.

No further extension beyond 31st December 2014 to the CGT relief on properties acquired between 7th December 2011 and 31st December 2014.

The 80% tax on disposals of rezoned lands is removed with effect from 1st January 2015. These disposals will be either subject to CGT at 33% or the relevant income tax rate where a trade is being carried on.

## Capital Acquisitions Tax

No changes were mentioned in the Budget to either the CAT thresholds or to the current rate of 33%.

## Corporation Tax

12.50% rate remains for trading profits.

Removal of the "Double Irish". All Irish registered companies will be regarded as Irish Tax Resident from 1st January 2015 transitional arrangements in place for existing companies until 2020.

R&D credits scheme — 2003 base year restriction has been removed.

Capital Allowances on Specified Intangible Assets — the 80% restriction on allowances/relevant interest is removed.

Start-up Company Relief — This relief has been extended to companies starting up in 2015.

Accelerated Capital Allowances — Some such CA's on energy efficient equipment were due to run out on 31st December 2014, but has been extended to 31st December 2017.

## Excise Duties

### Tobacco

Unusually the only "Old Reliable" being targeted in this Budget is tobacco with a significant increase which takes effect from midnight 14th October 2014 as follows:-

Cigarettes - 40c per pack of twenty, pro-rata on other tobacco products.

Roll-your-own tobacco — 20c per 25kg pack.

## VRT

Reliefs previously introduced for Hybrid/Electric vehicles and motorcycles are being extended to 31st December 2016.

## VAT

Retention of 9% Rate.

Farmers flat rate addition increased to 5% from 5.2%.

# Other Changes

## Agriculture

### Income Tax

Increases/other changes to rules re exempt income from leasing land. Income Averaging period increased from 3 to 5 years.

### CGT

Restructuring relief extended to 31st December 2016.

Leased land (25 years) to be included in CGT retirement relief.

Broadening of stamp duty reliefs for transfers between non relatives and removal of stamp duty on agricultural leases for more than 5 years.

---

**Call us on 01 8774747 or e-mail [info@ocarroll.biz](mailto:info@ocarroll.biz) to discuss any of the above topics in more detail.**

### **Our services include:-**

**Sole Trader /Partnership Accounts  
Audit Exempt/Audit  
Tax Advisory/Planning  
Income Tax  
Personal & Corporate Taxation Compliance  
Management Accounting  
Company Secretarial Services**

**Disclaimer : This document is intended as a general guide to the Budget of 14th October 2014. It is not intended to be comprehensive and some legislative changes are not referred to in this document. Do not make decisions based on the contents herein please consult a professional tax advisor. Every effort has been made to ensure the accuracy of the information in this document. As a result we are unable to accept liability for any errors or omissions which may arise. Some changes signalled above may not be included in the Finance Bill. Other changes will be made in the Finance Bill and have not been announced in the Budget.**