



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

BUDGET HIGHLIGHTS 2019



Personal/Income Tax

Rates, Credits & Bands

Some small changes were announced to just two credits while all the tax bands have been favourably adjusted.

Tax rates remain at 20% and 40%.

• Tax Credits	<u>2015 - 2019</u>		<u>2015 - 2019</u>
Single	€1,650	Widowed Person	€2,190
Married	€3,300	Widowed Parent, Year 1	€3,600
One Parent Family (Only available to main carer from 2014)	€1,650	-Reducing annually to Year 5	€1,800
PAYE Employee Credit	€1,650	Fisher Tax Credit	€1,270
		Incapacitated Child	€3,300

The tax credit for self employed (against earned income), has been increased from €1,150 to €1,350.

Home Carers credit increased from €1,200 per annum to €1,500.

• Personal Rate Bands	<u>2015 - 2018</u>	<u>2019</u>	• Exemption Limits	<u>2016 - 2019</u>
Single	€34,550	€35,300	Single/Widowed 65 years or over	€18,000
Married (one income)	€43,550	€44,300	Married 65 years or over	€36,000
Married (two incomes)*	€69,100	€70,600		
Single/Widowed with dependent Children	€38,550	€39,300		

* Max transferable of €44,300

PRSI / USC

Employee / Employers PRSI

The threshold for the higher Employers Rate of PRSI increases from 01/01/2019 to €386 from €376 weekly.

The National Training Fund Levy which is paid by employers will increase from 0.8% to 0.9% from 01/01/2019 and by a further 0.1% with effect from 01/01/2020. This brings Employers PRSI to 10.95% for 2019 and 11.05% for 2020.

USC

USC— Reduction in second rate by 0.25% respectively with an increase in the second threshold from €19,372 to €19,874. Exempt threshold remains at €13,000.

2018		2019	
Up to €13,000 - Nil		< €13,000— Nil	
> €12,012		> €12,012	
First €12,012	0.5%	First €12,012	0.5% (No Change)
€12,013 to €19,372	2%	€12,012 to €19,874	2% (No Change)
€19,373 to €70,004	4.75%	€19,875 to €70,004	4.5%
> €70,004 (Employed)	8%	> €70,004 (Employed)	8%
Self Employed > €100,000	11%	Self Employed > €100,000	11%

Maximum rate for medical card holders and those over 70 whose income is not greater than €60,000 is reduced to 2%.

Other Personal Tax

Extension of 0% BIK on electric cars for 3 years with restriction of €50k on the allowable OMV of the vehicle.

Farmer Stock Relief is extended until 2021.

Former Income Averaging Relief, restrictions re off farm income removed.

CGT Replaces Income Tax /PRSI/USC for gains on sale of "KEEP" Share Options, for options granted 01/01/2018 to 31/12/2023. Also up to 100% of salary may be awarded in options (up from 50%), three year limit replaced with lifetime limit, quantum up by €50k to €300k.

Property

The interest deduction for landlords is to be increased from 85% in 2018 to 100% for 2019, previously this was to happen over the next three years to 2021.

Capital Gains Tax

The entrepreneur relief remains at 10%.

This effectively means a 10% tax rate for business owners disposing of their business.

Capital Acquisitions Tax

There is only one change to the Group Thresholds.

Category A - €310,000. **increased to €320,000**

Category B - €32,500.

Category C—€16,250.

Corporation Tax

Budget re-affirms commitment to 12.50% rate for trading profits.

Film Relief extended to 2024.

The start-up relief for profit making companies who create and maintain employment is extended to 2021.

Changes to accelerated Capital Allowances for employer provision of child-care and Fitness facilities.

Changes to accelerated Capital Allowances for Gas-Propelled Vehicles.

Introduction of Anti Tax Avoidance Directive, (ATAD) imposes a tax of 12.50% on companies seeking to migrate assets abroad.

Introduction of Controlled Foreign Company (CFC) Rules as required under ATAD.

Indirect Tax

Tobacco

As per the last three years the only "Old Reliable" being targeted again in this year Budget, tobacco with a significant increase which takes effect from midnight 09/10/2018.

Cigarettes - 50c per pack of twenty, pro-rata on other tobacco products. **Additional 25c** on roll your own tobacco.

Betting Tax

The duty on betting has been increased from 1% to 2%.

The duty on commissions earned by betting exchanges used by people in Ireland increases from 15% to 25%.

VAT

Rate increased on tourism activities back up to 13.50%. Retention of 9% rate for newspapers and sporting facilities.

VAT on E-Books and electronic supplied newspapers reduced from 23% to 9%.

Social Welfare

Increase of €5 per week in State Pension from end March 2018.

All weekly social welfare payments to increase by €5 also from end March.

Christmas bonus increased to 100% of the normal weekly payment.

Other Changes

DIRT

DIRT reduced to 35% from 01/01/2019.

Further reduction to 33% from 01/01/2020.

Housing

€1.25bn allocated for the delivery of 10,000 new social homes through a combination of construction, acquisition and leasing.

Additional €121M for HAP to facilitate an extra 16,760 new tenancies next year.

€60M in additional capital funding for the provision of more emergency accommodation and family hubs.

€30M to be provided for homelessness services.

Call us on 01 8774747 or e-mail info@ocarroll.biz to discuss any of the above topics in more detail.

Website : www.ocarroll.eu

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