



**WOODS** and Partners Taxation Advisors Limited

# Summary Points



10 October 2023

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## Income Tax, USC, PRSI

Personal Income Tax Rate Bands			Standard Rates of Universal Social Charge (USC)		
	20%	40%		2023	2024
Single/widow	42,000	Balance	0.5% rate	€0 - €12,012	€0 - €12,012
Married couple/civil partnership - one income	51,000	Balance	2% rate	€12,013 - €22,920	€12,013 - €25,760
Married couple/civil partnership - two incomes	84,000	Balance	4.5%/4% rate	€22,920 - €70,044	€25,760 - €70,044
One parent family	44,000	Balance	8% rate	Greater than €70,044	Greater than €70,044
<b>Personal Tax Credits</b>	<b>2023</b>	<b>2024</b>	11% rate*	Greater than €100,000	Greater than €100,000
Single person	1,775	1,875	*Employed & Self Employed		
Single person child carer	1,650	1,750	<b>Reduced rates of USC</b>		
PAYE	1,775	1,875	The reduced rate of USC of 2% applies for individuals aged 70 years or over whose aggregate income for the year is €60,000 or less. The reduced rate of USC will also apply for 2024 and 2025 for full medical card holders under 70 years whose aggregate income for the year is €60,000 or less.		
Earned Income	1,775	1,875			
Home Carer (Maximum)	1,700	1,800			
Incapacitated Child Credit	3,300	3,500			
Rent Tax Credit	500	750	<b>PRSI</b>		
			From 1 October next year all PRSI contribution rates will increase by 0.1 percent. Self-employed PRSI contribution will increase to 4.1%, Employer rates of PRSI will increase to 11.15% and 8.9%.		

## Housing / Property

Rent Tax Credit
The Rent Tax Credit is increasing to €750 per individual and €1,500 per jointly assessed couple for 2024 and 2025. Payments made by parents in respect of “digs” or rent-a-room arrangements for their children to attend an approved course will now qualify for the Rent Tax Credit. This is provided the claimant and their child are not related to the landlord. This change will apply retrospectively for the years 2022 and 2023.
Rented Residential Relief
A new tax relief for landlords will be available against rental income from residential property for tax years 2024 to 2027 inclusive. The relief is available to individual landlords only for tenancies registered with the Residential Tenancies Board or for lettings of a residential property to a public authority. Landlords are also required to have tax clearance and to comply with their Local Property Tax. The relief will reduce the tax due on residential rental income by up to €600 in 2024, €800 in 2025, and €1,000 in 2026 and 2027. The relief is capped at the tax liability on the rental income and will be apportioned in the case of joint ownership of a property. The relief will be clawed back if the landlord removes the property on which relief is claimed from the rental market within 4 years of the initial claim. However, no clawback will apply after the expiry of the 4-year period.
Mortgage Interest Relief
A temporary one-year tax credit will be introduced for taxpayers who have made payments in respect of a qualifying loan for a principal private residence. The relief will be available to homeowners with an outstanding mortgage balance of between €80,000 and €500,000 as of 31 December 2022. The credit will be available in respect of 2023, on the increase in interest paid in 2023 over interest paid in 2022. In order to claim the relief, the taxpayer must file a tax return with Revenue. The relief will operate by way of a credit offset against the taxpayer’s income tax liability for 2023 and may be claimed in early 2024.

<b>Help to Buy Scheme (HTB)</b>
The Help to Buy Scheme which was set up to assist first time buyers purchase a newly built house or apartment is set to be extended to the end of 2025. The scheme also applies to once-off self-build homes.
<b>Vacant Homes Tax (VHT)</b>
VHT is a self-assessed tax that applies to habitable residential properties that have been occupied for less than 30 days in a 12-month chargeable period, from 1 November to 31 October of the following year. The VHT rate for chargeable periods from 1 November 2023 onwards has been increased to five times a property's existing base Local Property Tax liability.
<b>Defective Concrete Products Levy</b>
This levy is being amended so that it will no longer apply to the pouring concrete used in the manufacture of precast concrete products, with effect from 1 January 2024. A refund scheme is also being put in place to allow those who paid the levy on such concrete between 1 September 2023 and 31 December 2023 to reclaim it.
<b>Residential Zoned Land Tax (RZLT)</b>
The first liability date for RZLT will be deferred until 1 February 2025. Landowners will be afforded an opportunity to submit requests for a change in the zoning of their land to local authorities in respect of the mapping process being undertaken in 2024 and 2025.

## **Business Taxes**

<b>Pillar Two Minimum Effective Tax Rate</b>
Under the transposition of the EU Minimum Tax Directive, a summary of the Pillar Two rules that will come into effect from 31 December 2023 is as follows: <ul style="list-style-type: none"> <li>• In-scope businesses will pay a minimum effective tax rate of 15% on their profits in respect of each country in which they operate.</li> <li>• This will apply to both multinational and domestic businesses with a global annual turnover of €750 million and above in at least two of the preceding four years.</li> </ul>
<b>Research &amp; Development (R&amp;D) Tax Credit</b>
There are a number of amendments to the R&D tax credit including: <ul style="list-style-type: none"> <li>• An increase in the rate from 25% to 30%.</li> <li>• An increase from €25,000 to €50,000 in the amount of the credit payable in Year One.</li> </ul>
<b>Section 481 Film Relief</b>
Film relief provides for a corporation tax credit for the qualifying costs of certain audio-visual productions. The cap on qualifying expenditure is being increased to €125 million.
<b>Relief for Investment in Corporate Trades</b>
The EII scheme provides for income tax relief for investment in qualifying small and medium sized businesses. From 1 January 2024, all investments made will be subject to a four-year holding requirement and the limits on investments which qualify for relief is to increase to €500,000.
<b>Accelerated Capital Allowances for Energy Efficient Equipment</b>
The accelerated capital allowances scheme for Energy Efficient Equipment is being extended for a further two years until 31 December 2025.

### Benefit in Kind (BIK) on Employer-Provided Vehicles

The following will apply for BIK on employer-provided vehicles for 2024:

- A reduction of €10,000 will apply to the original market value (OMV), to reduce the amount of BIK payable, for all cars in Category A,B,C and D (not E) and all vans.
- The current reduction of €35,000 in OMV will continue to apply for all electric vehicles.
- The lower mileage limit in the highest mileage band which applies to employer-provided cars will remain at 48,000.

For 2025, 2026 and 2027, the reductions in the OMV for electric vehicles will be €35,000, €20,000 and €10,000.

## VAT and Custom Duties

### VAT registration thresholds

With effect from 1 January 2024, the turnover thresholds beyond which suppliers are obliged to register for VAT will rise:

- For a supplier of goods, the new threshold will be €80,000, up from €75,000.
- For a supplier of services (or mixed supplies), the new threshold will be €40,000, up from €37,500.

### Gas and Electricity Supplies

The application of the second reduced VAT rate of 9% to gas and electricity supplies is extended for one year until 31 October 2024.

### Charities VAT compensation scheme

From 1 January 2024, the total annual capped fund for the Charities VAT compensation scheme is being increased from €5 million to €10 million.

### Fuel excise

The final tranche of the various fuel duty excise increases which will now take place in two equal instalments, with the first taking place on 1 April 2024. Therefore the temporary excise rate reductions which apply to diesel, petrol and marked gas oil, and which were due to expire on 31 October 2023, are being extended.

4 cents, 3 cents and 1.7 cents will be added to petrol, diesel and marked gas oil respectively on both 1 April 2024 and 1 August 2024.

## Capital Gains Tax

### Angel Investor Relief

CGT relief will be introduced for third-party individuals who take significant minority shareholdings in innovative start-up companies for at least 3 years. These individuals can avail of an effective reduced rate of CGT of 16%, or 18% for partnerships. The relief can be applied on a gain of up to twice the value of their initial investment and is subject to a lifetime limit of €3 million.

### Retirement Relief

The following changes will come into effect for disposals made on or after 1 January 2025:

- The upper age limit which applies to the maximum level of retirement relief will be extended from 66 to 70, in respect of both a disposal to a child and a disposal to a person other than a child.
- A new threshold will limit the availability of the relief on disposals to a child by individuals from the age of 55 until the age 70 to assets with a value of €10 million or less.

A further amendment will require that retirement relief must be claimed by an individual on their tax return.

#### Legal Disclaimer

This summary is intended to describe the subject in general terms. As such, it does not attempt to cover every issue which may arise in relation to the subject. It does not purport to be a legal interpretation of the statutory provisions and, consequently, responsibility cannot be accepted for any liability incurred or loss suffered as a result of relying on any matter published herein.