



Chartered Tax Advisors | Certified Public Accountants | Registered Auditors



# BUDGET 2020



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### Personal Tax

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- Reduced universal social charge for medical card holders extended by a further year where medical card holders and individuals over 70 whose aggregate income does not exceed €60,000 pay maximum USC rate of 2%.
- Increase in Home Carer Tax Credit by €100 to €1,600.
- Increase in Earned Income Tax Credit by €150 to €1,500.
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- Increase in Earned Income Tax Credit by €200 to €1,350.
- Reduction in the 37% DIRT rate to 35%.
- Mortgage Interest relief for landlords will rise to 100% from 1<sup>st</sup> January 2019.

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### Farming

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- Extension of the CGT relief for Farm Restructuring due to expire on 31<sup>st</sup> December 2019 to 31<sup>st</sup> December 2022.

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### Capital Acquisitions Tax

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- Increase in Group A threshold of €15,000 from €320,000 to €335,000.
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### Corporation Tax

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- 12.5% Corporation Tax rate to remain unchanged.
- There will be new rules introduced in January 2020 to prevent arrangements exploiting differences in tax treatment of an instrument or entities under tax laws of two or more jurisdictions to generate a tax advantage.
- Anti avoidance legislation to be introduced for IREFs and Section 10 companies to address excessive interest charges being claimed.
- Framework for REITs to be amended to ensure appropriate level of taxes being collected and distributions will be subject to DWT.

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### STAMP DUTY

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- Stamp Duty at 1% is being introduced where a scheme of arrangement is used for the acquisition of a company.
- Stamp Duty rate for non residential property to be increased from 6% to 7.5% from 8<sup>th</sup> October 2019. Transitional arrangements will be in place for instruments executed before 1<sup>st</sup> January 2020 where binding contract in place before 8<sup>th</sup> October 2019.

## Miscellaneous

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- Increase in Carbon tax to 26 euro per tonne.
- Relief for users of Diesel rebate scheme to increase in carbon tax.
- Electricity tax for businesses and non businesses to be equalized.
- Increase in excise duty on cigarettes by 50 cent with pro- rata increases on other tobacco products.
- Extension of VRT relief for hybrids and plug in electric vehicles.
- Increase of €5 to the Living Alone Allowances.
- Increase of €15 for the One Parent Family Payment and Jobseeker Transition payments.
- Increase of €10 for the Working Family Income Threshold for families with up to three children.
- Increase in Qualified Child payment by €3 for over 12s and €2 for under 12s.
- Increase in fuel allowance by €2 by week.

<b>Tax Rates</b>	<b>2019</b>	<b>2020</b>
Standard tax rate	20%	20%
Higher tax rate	40%	40%

### Standard Rate Band

Single/widowed	€35,300	€35,300
Married couple one income	€44,300	€44,300
Married couple two incomes	€70,600	€70,600
One parent family	€39,300	€39,300

### Changes in Tax Credits

Home carer tax credit	€1,500	€1,600
Earned income credit	€1,350	€1,500

### Universal Social Charge

<b>2018</b>		<b>2019</b>	
First €12,012	0.5%	First €12,012	0.5%
Next €7,862	2%	Next €7,862	2%
Next €50,170	4.75%	Next €50,170	4.5%
Balance over €70,044	8%	Balance over €70,044	8%
Relevant income > €100,000	11%	Relevant income > €100,000	11%

Total incomes of €13,000 or less are exempt otherwise the above rates apply.

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