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BUDGET 2020



Personal Tax

- 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.
- Changes to the KEEP scheme to amend the definition of qualifying companies to enable companies operating in a group to qualify and changes to conditions for qualifying employees to allow for part time / flexible working. These changes will be implemented to allow existing shares to qualify.
- Change in tax relief for EII investors to allow full income tax relief at 40% in year in which investment is made. Increases in annual investment limit from €150k to €250k and €500k for those investing for minimum period of 10 years.
- SARP scheme to be extended to 31st December 2022.
- Increase in the R&D tax credit scheme for micro and small companies from 25% to 30% together with allowing credit for pre-trading R&D against VAT and payroll liabilities. Increase in limit on outsourcing to 3rd level Institutes of Education from 5% to 15%.
- Help to Buy scheme deadline being extended to 31st December 2021.
- Tax incentives for Living City Initiative to be extended to 31st December 2022.

Farming

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

Capital Acquisitions Tax

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

Corporation Tax

- 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 110 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.

Stamp Duty

- 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 8th October 2019. Transitional arrangements will be in place for instruments executed before 1st January 2020 where binding contract in place before 8th October 2019.

Miscellaneous

- 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 equalised.
- 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.
- Payment of 100% Christmas Bonus to all social welfare recipients.
- 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.

Tax Rates	2019	2020
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

2019		2020	
First €12,012	0.5%	First €12,012	0.5%
Next €7,862	2%	Next €7,862	2%
Next €50,170	4.5%	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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