

(ii) Examples Showing the Effects of the Budget changes on Different Categories of Single and Married Taxpayers

EXAMPLE 1

Married couple, one income, no children taxed under PAYE

Full rate PRSI contributor

Gross Income €	PRSI/Levy Liability		Tax Liability		Total Gain €	Gain as % of Net Income %
	Existing €	Proposed €	Existing €	Proposed €		
15,000	336	336	0	0	0	0.0
20,000	936	536	0	0	400	2.1
25,000	1,236	1,236	920	570	350	1.5
30,000	1,536	1,536	1,920	1,570	350	1.3
35,000	1,836	1,836	2,920	2,570	350	1.2
40,000	2,136	2,136	4,580	3,922	658	2.0
45,000	2,337	2,406	6,680	6,022	589	1.6
50,000	2,463	2,534	8,780	8,122	587	1.5
60,000	2,698	2,769	12,980	12,322	587	1.3
80,000	3,144	3,220	21,380	20,722	582	1.0
100,000	3,575	3,650	29,780	29,122	582	0.9
120,000	3,990	4,066	38,180	37,522	582	0.7

Variations can arise due to rounding

EXAMPLE 2

Married couple, one income, two children taxed under PAYE

Full rate PRSI contributor

Gross Income	PRSI/Levy Liability		Tax Liability		Child Benefit Increase (a)	Total Gain	Gain as % of Net Income (b)	Total Gain where FIS applies (c)	Gain including FIS as % of Net Income (d)
	Existing	Proposed	Existing	Proposed					
€	€	€	€	€	€	€	%	€	%
15,000	336	336	0	0	180	180	1.0	1,376	6.1
20,000	936	536	0	0	180	580	2.6	1,568	6.5
25,000	1,236	1,236	150	0	180	330	1.2	1,370	5.1
30,000	1,536	1,536	1,150	800	180	530	1.7	530	1.7
35,000	1,836	1,836	2,150	1,800	180	530	1.6	530	1.6
40,000	2,136	2,136	3,810	3,152	180	838	2.3	838	2.3
45,000	2,337	2,406	5,910	5,252	180	769	1.9	769	1.9
50,000	2,463	2,534	8,010	7,352	180	767	1.8	767	1.8
60,000	2,698	2,769	12,210	11,552	180	767	1.6	767	1.6
80,000	3,144	3,220	20,610	19,952	180	762	1.3	762	1.3
100,000	3,575	3,650	29,010	28,352	180	762	1.1	762	1.1
120,000	3,990	4,066	37,410	36,752	180	762	0.9	762	0.9

Variations can arise due to rounding

- (a) Value during 2005 of the increase in Child Benefit (CB) made in the Budget, which is effective from April, 2005 (i.e. assuming 9 months of CB increase).
- (b) Net income includes CB less deductions of tax, levy and PRSI (where appropriate) and so may be higher than the gross income.
- (c) The two last columns show the total gain where Family Income Supplement (FIS) is taken up in both years. The gain includes the value during 2005 of the improvement in FIS made in this Budget which take effect from January, 2005.
- (d) Net income includes CB and FIS (where relevant) less deductions of tax, levy and PRSI (where appropriate) and so may be higher than the gross income.

EXAMPLE 3

Married couple, two incomes, two children taxed under PAYE

Full rate PRSI contributors

Gross Income	PRSI/Levy Liability		Tax Liability		Child Benefit Increase (a)	Total Gain	Gain as % of Net Income (b)	Total Gain where FIS applies (c)	Gain including FIS as % of Net Income (d)
	Existing	Proposed	Existing	Proposed					
€	€	€	€	€	€	€	%	€	%
20,000	0	0	0	0	180	180	0.8	1,376	5.6
30,000	906	516	880	300	180	1,150	3.7	1,150	3.7
35,000	1,101	1,101	1,880	1,300	180	760	2.2	760	2.2
40,000	1,296	1,296	2,880	2,300	180	760	2.0	760	2.0
45,000	1,857	1,857	3,880	3,300	180	760	1.8	760	1.8
50,000	2,122	2,122	4,880	4,300	180	760	1.6	760	1.6
60,000	3,072	3,072	7,760	6,564	180	1,376	2.6	1,376	2.6
70,000	3,553	3,624	11,960	10,764	180	1,305	2.3	1,305	2.3
80,000	3,924	3,994	16,160	14,964	180	1,305	2.1	1,305	2.1
100,000	4,650	4,720	24,560	23,364	180	1,305	1.8	1,305	1.8
120,000	5,355	5,431	32,960	31,764	180	1,300	1.5	1,300	1.5
140,000	5,817	5,964	41,360	40,164	180	1,230	1.3	1,230	1.3

Variations can arise due to rounding

This example assumes that the joint income is divided 65% and 35% between spouses.

(a) Value during 2005 of the increase in Child Benefit (CB) made in the Budget, which is effective from April, 2005 (i.e. assuming 9 months of CB increase).

(b) Net income includes CB less deductions of tax, levy and PRSI (where appropriate) and so may be higher than the gross income.

(c) The two last columns show the total gain where Family Income Supplement (FIS) is taken up in both years. The gain includes the value during 2005 of the improvement in FIS made in this Budget which take effect from January, 2005.

(d) Net income includes CB and FIS (where relevant) less deductions of tax, levy and PRSI (where appropriate) and so may be higher than the gross income.

EXAMPLE 4

Single person taxed under PAYE

Full rate PRSI contributor

Gross Income	PRSI/Levy Liability		Tax Liability		Total Gain	Gain as % of Net Income
	Existing	Proposed	Existing	Proposed		
€	€	€	€	€	€	%
14,000	0	0	240	0	240	1.7
16,000	376	376	640	350	290	1.9
18,000	456	456	1,040	750	290	1.8
20,000	936	536	1,440	1,150	690	3.9
25,000	1,236	1,236	2,440	2,150	290	1.4
30,000	1,536	1,536	3,880	3,282	598	2.4
35,000	1,836	1,836	5,980	5,382	598	2.2
40,000	2,136	2,136	8,080	7,482	598	2.0
45,000	2,337	2,406	10,180	9,582	529	1.6
50,000	2,463	2,534	12,280	11,682	527	1.5
60,000	2,698	2,769	16,480	15,882	527	1.3
80,000	3,144	3,220	24,880	24,282	522	1.0
100,000	3,575	3,650	33,280	32,682	522	0.8
120,000	3,990	4,066	41,680	41,082	522	0.7

Variations can arise due to rounding

EXAMPLE 5

Married couple, one income, no children taxed under PAYE

Modified rate PRSI contributor

Gross Income	PRSI/Levy Liability		Tax Liability		Total Gain	Gain as % of Net Income
	Existing	Proposed	Existing	Proposed		
€	€	€	€	€	€	%
15,000	123	123	0	0	0	0.0
20,000	568	168	0	0	400	2.1
25,000	713	713	920	570	350	1.5
30,000	858	858	1,920	1,570	350	1.3
35,000	1,003	1,003	2,920	2,570	350	1.1
40,000	1,148	1,148	4,580	3,922	658	1.9
45,000	1,268	1,285	6,680	6,022	641	1.7
50,000	1,369	1,387	8,780	8,122	640	1.6
60,000	1,571	1,588	12,980	12,322	640	1.4
80,000	1,973	1,991	21,380	20,722	640	1.1
100,000	2,374	2,392	29,780	29,122	640	0.9
120,000	2,775	2,793	38,180	37,522	640	0.8

Variations can arise due to rounding.

EXAMPLE 6

Married couple, one income, two children taxed under PAYE
Modified rate PRSI contributor

Gross Income	PRSI/Levy Liability		Tax Liability		Child Benefit Increase (a)	Total Gain	Gain as % of Net Income (b)	Total Gain where FIS applies (c)	Gain including FIS as % of Net Income (d)
	Existing	Proposed	Existing	Proposed					
€	€	€	€	€	€	€	%	€	%
15,000	123	123	0	0	180	180	1.0	1,376	6.1
20,000	568	168	0	0	180	580	2.6	1,568	6.4
25,000	713	713	150	0	180	330	1.2	1,370	5.0
30,000	858	858	1,150	800	180	530	1.7	530	1.7
35,000	1,003	1,003	2,150	1,800	180	530	1.5	530	1.5
40,000	1,148	1,148	3,810	3,152	180	838	2.2	838	2.2
45,000	1,268	1,285	5,910	5,252	180	821	2.0	821	2.0
50,000	1,369	1,387	8,010	7,352	180	820	1.9	820	1.9
60,000	1,571	1,588	12,210	11,552	180	820	1.7	820	1.7
80,000	1,973	1,991	20,610	19,952	180	820	1.4	820	1.4
100,000	2,374	2,392	29,010	28,352	180	820	1.1	820	1.1
120,000	2,775	2,793	37,410	36,752	180	820	1.0	820	1.0

Variations can arise due to rounding

- (a) Value during 2005 of the increase in Child Benefit (CB) made in the Budget, which is effective from April, 2005 (i.e. assuming 9 months of CB increase).
- (b) Net income includes CB less deductions of tax, levy and PRSI (where appropriate) and so may be higher than the gross income.
- (c) The two last columns show the total gain where Family Income Supplement (FIS) is taken up in both years. The gain includes the value during 2005 of the improvement in FIS made in this Budget which take effect from January 2005.
- (d) Net income includes CB and FIS (where relevant) less deductions of tax, levy and PRSI (where appropriate) and so may be higher than the gross income.

EXAMPLE 7

Married couple, two incomes, two children

Modified rate PRSI contributors

Gross Income	PRSI/Levy Liability		Tax Liability		Child Benefit Increase (a)	Total Gain	Gain as % of Net Income (b)	Total Gain where FIS applies (c)	Gain including FIS as % of Net Income (d)
	Existing	Proposed	Existing	Proposed					
€	€	€	€	€	€	€	%	€	%
20,000	0	0	0	0	180	180	0.8	1,376	5.6
30,000	553	163	880	300	180	1,150	3.6	1,150	3.6
35,000	648	648	1,880	1,300	180	760	2.1	760	2.1
40,000	742	742	2,880	2,300	180	760	1.9	760	1.9
45,000	966	966	3,880	3,300	180	760	1.8	760	1.8
50,000	1,076	1,076	4,880	4,300	180	760	1.6	760	1.6
60,000	1,716	1,716	7,760	6,564	180	1,376	2.6	1,376	2.6
70,000	1,976	1,994	11,960	10,764	180	1,358	2.3	1,358	2.3
80,000	2,209	2,227	16,160	14,964	180	1,358	2.1	1,358	2.1
100,000	2,674	2,692	24,560	23,364	180	1,358	1.8	1,358	1.8
120,000	3,138	3,156	32,960	31,764	180	1,358	1.6	1,358	1.6
140,000	3,543	3,578	41,360	40,164	180	1,340	1.4	1,340	1.4

Variations can arise due to rounding

This example assumes that the joint income is divided 65% and 35% between spouses.

- (a) Value during 2005 of the increase in Child Benefit (CB) made in the Budget, which is effective from April, 2005 (i.e. assuming 9 months of CB increase).
- (b) Net income includes CB less deductions of tax, levy and PRSI (where appropriate) and so may be higher than the gross income.
- (c) The two last columns show the total gain where Family Income Supplement (FIS) is taken up in both years. The gain includes the value during 2005 of the improvement in FIS made in this Budget which take effect from January, 2005.
- (d) Net income includes CB and FIS (where relevant) less deductions of tax, levy and PRSI (where appropriate) and so may be higher than the gross income.

EXAMPLE 8

Single person taxed under PAYE

Modified rate PRSI contributor

Gross Income	PRSI/Levy Liability		Tax Liability		Total Gain	Gain as % of Net Income
	Existing	Proposed	Existing	Proposed		
€	€	€	€	€	€	%
14,000	0	0	240	0	240	1.7
16,000	132	132	640	350	290	1.9
18,000	150	150	1,040	750	290	1.7
20,000	568	168	1,440	1,150	690	3.8
25,000	713	713	2,440	2,150	290	1.3
30,000	858	858	3,880	3,282	598	2.4
35,000	1,003	1,003	5,980	5,382	598	2.1
40,000	1,148	1,148	8,080	7,482	598	1.9
45,000	1,268	1,285	10,180	9,582	581	1.7
50,000	1,369	1,387	12,280	11,682	580	1.6
60,000	1,571	1,588	16,480	15,882	580	1.4
80,000	1,973	1,991	24,880	24,282	580	1.1
100,000	2,374	2,392	33,280	32,682	580	0.9
120,000	2,775	2,793	41,680	41,082	580	0.8

Variations can arise due to rounding

EXAMPLE 9

Married couple, one income, no children
Taxed under Schedule D

Gross Income	PRSI/Levy Liability		Tax Liability		Total Gain	Gain as % of Net Income
	Existing	Proposed	Existing	Proposed		
€	€	€	€	€	€	%
15,000	450	450	0	0	0	0.0
20,000	1,000	600	960	840	520	2.9
25,000	1,250	1,250	1,960	1,840	120	0.6
30,000	1,500	1,500	2,960	2,840	120	0.5
35,000	1,750	1,750	3,960	3,840	120	0.4
40,000	2,000	2,000	5,620	5,192	428	1.3
45,000	2,250	2,250	7,720	7,292	428	1.2
50,000	2,500	2,500	9,820	9,392	428	1.1
60,000	3,000	3,000	14,020	13,592	428	1.0
80,000	4,000	4,000	22,420	21,992	428	0.8
100,000	5,000	5,000	30,820	30,392	428	0.7
120,000	6,000	6,000	39,220	38,792	428	0.6

Variations can arise due to rounding.

EXAMPLE 10

Married couple, one income, two children
Taxed under Schedule D

Gross Income	PRSI/Levy Liability		Tax Liability		Child Benefit Increase (a)	Total Gain	Gain as % of Net Income (b)
	Existing	Proposed	Existing	Proposed			
€	€	€	€	€	€	€	%
15,000	450	450	0	0	180	180	1.0
20,000	1,000	600	190	70	180	700	3.2
25,000	1,250	1,250	1,190	1,070	180	300	1.2
30,000	1,500	1,500	2,190	2,070	180	300	1.0
35,000	1,750	1,750	3,190	3,070	180	300	0.9
40,000	2,000	2,000	4,850	4,422	180	608	1.7
45,000	2,250	2,250	6,950	6,522	180	608	1.6
50,000	2,500	2,500	9,050	8,622	180	608	1.5
60,000	3,000	3,000	13,250	12,822	180	608	1.3
80,000	4,000	4,000	21,650	21,222	180	608	1.1
100,000	5,000	5,000	30,050	29,622	180	608	0.9
120,000	6,000	6,000	38,450	38,022	180	608	0.8

Variations can arise due to rounding.

- (a) Value during 2005 of the increase in Child Benefit (CB) made in the Budget, which is effective from April, 2005 (i.e. assuming 9 months of CB increase).
- (b) Net income includes CB less deductions of tax, levy and PRSI (where appropriate) and so may be higher than the gross income.

EXAMPLE 11

Married couple, two incomes, two children
Taxed under Schedule D

Gross Income	PRSI/Levy Liability		Tax Liability		Child Benefit Increase (a)	Total Gain	Gain as % of Net Income (b)
	Existing	Proposed	Existing	Proposed			
€	€	€	€	€	€	€	%
20,000	643	643	960	840	180	300	1.4
30,000	1,290	900	2,960	2,840	180	690	2.4
35,000	1,505	1,505	3,960	3,840	180	300	0.9
40,000	1,720	1,720	4,960	4,840	180	300	0.8
45,000	1,935	1,935	5,960	5,840	180	300	0.7
50,000	2,150	2,150	6,960	6,840	180	300	0.7
60,000	3,000	3,000	9,840	9,104	180	916	1.8
70,000	3,500	3,500	14,040	13,304	180	916	1.6
80,000	4,000	4,000	18,240	17,504	180	916	1.5
100,000	5,000	5,000	26,640	25,904	180	916	1.3
120,000	6,000	6,000	35,040	34,304	180	916	1.1
140,000	7,000	7,000	43,440	42,704	180	916	1.0

Variations can arise due to rounding.

This example assumes that the joint income is divided 65% and 35% between spouses.

(a) Value during 2005 of the increase in Child Benefit (CB) made in the Budget, which is effective from April, 2005

(i.e. assuming 9 months of CB increase).

(b) Net income includes CB less deductions of tax, levy and PRSI (where appropriate) and so may be higher than the gross income.

EXAMPLE 12

Single person

Taxed under Schedule D

Gross Income	PRSI/Levy Liability		Tax Liability		Total Gain	Gain as % of Net Income
	Existing	Proposed	Existing	Proposed		
€	€	€	€	€	€	%
14,000	420	420	1,280	1,220	60	0.5
16,000	480	480	1,680	1,620	60	0.4
18,000	540	540	2,080	2,020	60	0.4
20,000	1,000	600	2,480	2,420	460	2.8
25,000	1,250	1,250	3,480	3,420	60	0.3
30,000	1,500	1,500	4,920	4,552	368	1.6
35,000	1,750	1,750	7,020	6,652	368	1.4
40,000	2,000	2,000	9,120	8,752	368	1.3
45,000	2,250	2,250	11,220	10,852	368	1.2
50,000	2,500	2,500	13,320	12,952	368	1.1
60,000	3,000	3,000	17,520	17,152	368	0.9
80,000	4,000	4,000	25,920	25,552	368	0.7
100,000	5,000	5,000	34,320	33,952	368	0.6
120,000	6,000	6,000	42,720	42,352	368	0.5

Variations can arise due to rounding