Summary of

2015 Budget Measures

Policy Changes

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Taxation Measures for Introduction in 2015

Measure	Yield/Cost 2015	Yield/Cost Full Year
Income Tax An increase in the standard rate band of income tax by €1,000 from €32,800 to €33,800 for single individuals and from €41,800 to €42,800 for married one earner couples. A reduction in the higher rate of income tax from 41% to 40%.	-€292m	-€405m
USC Incomes of €12,012 or less are exempt. Otherwise, €0 to €12,012 @ 1.5% €12,013 to €17,576 @ 3.5% €17,577 to €70,044 @ 7% €70,044 to €100,000 @8% PAYE income in excess of €100,000 @ 8% Self-employed income in excess of €100,000 @ 11% Extension of the exemption from the 7% rate of USC for medical card holders whose aggregate income does not exceed €60,000, who will now pay a maximum rate of 3.5% USC. Individuals aged 70 years and over whose aggregate income is €60,000 or less will pay a maximum rate of 3.5% USC.	-€186m	-€237m
VAT **2015 Place of Supply Changes** Cross-border EU telecommunications, broadcasting and electronically supplied services, from 1 January 2015, will be charged to VAT in the Member State of the consumer and not the supplier. As a net recipient of these services, it is estimated that Ireland will gain VAT revenues of €100m in 2015, rising to €150m in 2019.	+ €100m in 2015/16; and €125m in 2017/18	+ €150m from 2019 on

Excise Duties		
Tobacco Products Tax The excise duty on a packet of 20 cigarettes is being increased by 40 cents (including VAT) with a pro-rata increase on the other tobacco products, with effect from midnight on 14 October 2014. The excise duty on roll-your-own tobacco is being increased by an additional 20 cents (including VAT) per 25g pouch with effect from midnight on 14 October 2014.	+€53m	+€53m
Betting Duty The enactment of the Betting (Amendment) Bill 2013 will allow for the extension of Betting Duty to remote operators and betting exchanges in 2015.	+€25m	+€25m
Vehicle Registration Tax (VRT) The VRT reliefs available for the purchase of hybrid electric vehicles, plug-in hybrid electric vehicles, plug-in electric vehicles, and electric motorcycles are being extended to 31 December 2016.	-€3m	-€3m
Extension of qualifying limit for excise duty relief for microbreweries The special relief reducing the standard rate of Alcohol Products Tax by 50% on beers produced in microbreweries which produce not more than 20,000 hectolitres per annum is being extended to apply to microbreweries which produce not more than 30,000 hectolitres per annum.	-€0.2m	-€0.2m
Deferral of Excise Payment on Mineral Oil A 30 day deferral of excise duty is provided for mineral oil. To allow for Revenue to revise the collection system, this measure will be subject to a commencement order. This has an Exchequer cash-flow cost but does not impact general government deficit.	-	-

Natural Gas as a Transport Fuel The excise rate for Natural Gas and BioGas as a propellant will be set at the current EU Minimum rate and this rate will be held for a period of eight years.	-	-
Other Income Tax **Artists' Exemption** The threshold for the artists' exemption will be increased by €10,000 to €50,000. The Exemption is also being extended to non-resident artists (i.e. to individuals who are resident or ordinarily resident in another Member State or in another EEA State).	-€0.80	-€0.80
Foreign Earnings Deduction FED is being extended for a further 3 years until the end of 2017 and qualifying countries are being extended to include Chile, Mexico and certain countries in the Middle East & Asia. The number of qualifying days abroad is being reduced from 60 to 40, the minimum stay in a country is reduced to 3 days and travelling time is being included as time spent abroad.	-€1m	-€1m
Special Assignee Relief Programme SARP is being extended for a further 3 years until the end of 2017 and the upper salary threshold is being removed. The residency requirement is being amended to only require Irish residency and the exclusion of work abroad is also removed. The requirement to have been employed abroad by the employer is being reduced to 6 months. Further details will be provided in the Finance Bill.	-€1m	-€1m
Employment and Investment Incentive The EII is being amended to raise company limits, increase the holding period by 1 year and include medium-sized companies in non-assisted areas and internationally traded financial services. These measures are subject to approval from the European	-	-

Commission. Hotels, guest houses and self-catering accommodation will remain eligible for a further 3 years and the operating and managing of nursing homes will be included for 3 years. **Seed Capital Scheme** The scheme is being rebranded as "Start-Up Relief for Entrepreneurs" (SURE) and being extended to individuals who have been unemployed up to 2 years. **Rent-A-Room Relief** The threshold for exempt income under the rent-a-room scheme is being increased to €12,000 per annum. **Water Charges** Tax relief at 20% will be provided on water charges, up to a maximum of €500 per annum. This relief will be paid in arrears. **Home Renovation Incentive** The HRI is being extended to include rental properties owned by landlords subject to income tax.	- -€0.4m - -	- -€0.4m -€40m -€3m
CAPITAL GAINS TAX **Property purchase incentive** The incentive relief from CGT (in respect of the first 7 years of ownership) for properties purchased between 7 December 2011 and 31 December 2014 is not being extended beyond 31 December 2014. Where property purchased in this period is held for seven years the gains accrued in that period will not attract CGT. **Windfall tax** Windfall tax provisions introduced in 2009 which apply an 80% rate of tax to certain profits or gains	- -	- -

from land disposals or land development, where those profits or gains are attributable to a relevant planning decision by a planning authority, are being abolished from 1 January 2015.		
Agri-Taxation Review/ Farming Measures		
Income Tax		
Increase the amounts of income exempted from long term leasing by 50% and introduce a fourth threshold for lease periods of 15 or more years with income of up to €40,000 being exempted.	-€1.2m	-€4m
Allow relief where the lessee is a company	-€0.6m	-€2m
Remove the 40 years of age threshold for leasing relief	-€0.3m	-€1m
Allow income averaging where there is on-farm diversification	-€0.3m	-€1m
Increase income averaging from 3 to 5 years	-€0.9m	-€3m
VAT - Increase in the Farmer's Flat-Rate Addition from 5% to 5.2%		
The farmer's flat-rate addition will be increased from 5% to 5.2% with effect from 1 January 2015. The flat-rate scheme compensates unregistered farmers for VAT incurred on their farming inputs. The flat-rate addition is reviewed annually in accordance with the EU VAT Directive and the increase to 5.2% in 2015 continues to achieve full compensation for farmers.	-€10m	-€12m
CGT- Relief for Farm Restructuring		
Farm restructuring relief is available where the first transaction in the restructuring (e.g. sale, purchase or exchange of land) is carried out by 31 December 2015 with the restructuring to be completed within 24 months. The deadline for the completion of the first restructuring transaction is being extended to 31	-€2.5m	-€2.5m

December 2016. Teagasc certification guidelines are being amended to enable whole farm replacement to be eligible for the relief subject to meeting the conditions laid down by Teagasc.		
CGT Retirement Relief CGT retirement relief is being amended so that, subject to other conditions, land that has been leased for up to 25 years in total (increased from 15) ending with disposal will qualify for the relief.	-	-
Amendments are also being made to provide (in the case of land disposals outside the family) that land currently let under conacre arrangements which end with disposal on or before 31 December 2016 or which (before 31 December 2016) is instead leased out for minimum periods of 5 years to a maximum of 25 years ending with disposal will, subject to other conditions, also qualify for CGT retirement relief.	-€0.5m	-€0.5m
CAT Agricultural Relief Changes are being introduced to target CAT agricultural relief to active farmers. From 1 January 2015, and subject to other conditions, the relief will be available only in respect of agricultural property gifted to or inherited by active farmers and to individuals who are not active farmers but who lease out the property on a long-term basis for agricultural use to such farmers.	+€2.5m	+€3.5m
Stamp Duty on Agricultural Leases Agricultural leases between 5 and 35 years in duration to active farmers will be exempt from Stamp Duty.	-€0.1m	-€0.1m
Consanguinity Relief Consanguinity relief, which applies to transfers of non-residential property to certain relatives, is due	-€2m	-€2m

to expire on 31 December 2014. This relief, which halves the applicable rate of Stamp Duty, will be extended for a period of three years in certain circumstances where the transferor is 65 years or under and the transferee is an active farmer.		
Corporation Tax		
R&D Tax Credit The 25% tax credit applies to the amount of qualifying R&D expenditure incurred by a company in a given year that is in excess of the amount spent in 2003. This 2003 base year restriction is now being removed from 1 January 2015.	-€50m	-€50m
3 Year Relief for Start-up Companies This measure provides relief from corporation tax on trading income (and certain capital gains) of new start-up companies in the first 3 years of trading. This relief is being extended to new business start-ups in 2015 and a review of the operation of this measure will take place in 2015.	-€2m	-€2m
Capital Allowances for the Provision of Specified Intangible Assets This measure provides capital allowances for expenditure incurred by a company on the provision of certain intangible assets for use in a trade. The use of such allowances in any accounting period is currently restricted to a maximum of 80% of the trading income from the relevant trade in which the acquired assets are used. This 80% restriction on aggregate allowances (and any interest expense incurred on borrowings to fund the expenditure) will be removed.	-€12m	-€27m

Accelerated Capital Allowances for Energy Efficient Equipment This is a measure to incentivise companies to invest in energy efficient equipment. This measure was due to expire at the end of 2014 and following a review by the Department of Communications, Energy and Natural Resources is being extended to the end of 2017.	-€1m	-€1m
DIRT **First time buyers DIRT relief** A relief from DIRT on savings used by first time house buyers towards the deposit on a home.	-€2.8m	-€2.8m