

# Tax Rates and Credits 2021

## Personal income tax rates (unchanged)

	At 20%, first	At 40%
Single person	€35,300	Balance
Married couple/civil partnership (one income)	€44,300	Balance
Married couple/civil partnership (two incomes)*	€70,600	Balance
One parent/widowed parent/surviving civil partner	€39,300	Balance

\* €44,300 with an increase of €26,300 maximum

## Personal tax credits (changed)

Single person	€1,650
Married couple/civil partnership	€3,300
Single person child carer credit	€1,650
Additional credit for certain widowed persons /surviving civil partner	€1,650
Employee credit	€1,650
Earned income credit (increased)*	€1,650
Home carer credit	€1,600

\* The increased credit will apply for 2020 also. Applies to self employed income and certain PAYE employments not subject to the PAYE credit

## Help to Buy Scheme (increased)

Income tax rebate, capped at €30,000, for first time buyers of a principal private residence. The relief is 10% of the house value (capped at €400,000). No relief for houses valued greater than €500,000. Claimants must take out a mortgage of at least 70% of the purchase price. The scheme only applies to new builds, self builds or a converted building not previously used as a dwelling and not to second hand properties. The scheme is in place until 31 December 2021.

## Capital gains tax (unchanged)

Rate	33%
Entrepreneur relief (reduced rate)*	10%
Annual exemption	€1,270

\* Relief remains capped at lifetime limit of €1m chargeable gains

## Local Property Tax (varying rates) (unchanged)

Market Value less than €1,000,000 <sup>†</sup>	0.18%
Market Value greater than €1,000,000:	
- First €1,000,000	0.18%
- Balance	0.25%

\* Market Value less than €100,000 - calculated on 0.18% of €50,000. Market Value €100,000 - €1,000,000 assessed at mid-point of €50,000 band (i.e. property valued between €150,001 and €200,000, assessed on 0.18% of €175,000).

- Applies to residential (not commercial) properties. Exemptions for houses in certain unfinished estates and newly constructed but unsold property.
- Certain payment deferral options may be available for low income households
- From 2015 onwards, local authorities can vary the basic LPT rates on residential properties in their administrative areas. These rates can be increased or decreased by up to 15%
- LPT liability for 2021 will continue to be based on the value of the property as at 1 May 2013. Revaluation for LPT has been deferred to 1 November 2021

## Value Added Tax (changed)

Standard rate/lower rate	23%*/13.5%
Hospitality and tourism**, newspapers, electronically supplied publications and sporting facilities	9%
Flat rate for unregistered farmers (rate increased)	5.6%
Cash receipts basis threshold	€2m

\* Temporary decrease in standard rate from 23% to 21% from 1 September 2020 to 28 February 2021

\*\* 9% rate to apply to hospitality and tourism sector from 1 November 2020 to 31 December 2021

## Dividend Withholding Tax (unchanged)

Rate	25%*
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\* The modified DWT regime which was to be introduced from 1 January 2021 has been deferred. Under the modified regime it is proposed to use real-time data collected under the modernised PAYE system to apply a personalised rate of DWT to each individual taxpayer.

## PRSI contribution (unchanged), Universal Social Charge (changed)

	%	Income
<b>Employer</b>	11.05%	No limit
	8.8%	If income is €398 p/w or less
<b>Employee* (class A1)</b>		
PRSI	4%	No limit*
Universal Social Charge	0.5% (unchanged)	€0 to €12,012**
	2.0% (unchanged)	€12,013 to €20,687***
	4.5% (unchanged)	€20,688 to €70,044****
	8% (unchanged)	> €70,044

\* Employees earning €352 or less p/w are exempt from PRSI. In any week in which an employee is subject to full-rate PRSI, all earnings are subject to PRSI. Unearned income for employees in excess of €3,174 p.a. is subject to PRSI. Sliding scale PRSI credit of max. €12 per week where weekly income between €352 and €424

\*\* Individuals with total income up to €13,000 are not subject to the Universal Social Charge

\*\*\* Increase in upper limit of the 2% band from €20,484 to €20,687

\*\*\*\* Reduced rate (2.0%) applies for persons over 70 and/or with a full medical card, where the individual's income does not exceed €60,000

## Self-employed PRSI contribution, Universal Social Charge (changed)

	%	Income
PRSI	4%	No limit*
Universal Social Charge	0.5% (unchanged)	€0 to €12,012**
	2.0% (unchanged)	€12,013 to €20,687***
	4.5% (unchanged)	€20,688 to €70,044****
	8% (unchanged)	€70,045 to €100,000
	11% (unchanged)	> €100,000

\* Minimum annual PRSI contribution is €500

\*\* Individuals with total income up to €13,000 are not subject to the Universal Social Charge

\*\*\* Increase in upper limit of the 2% band from €20,484 to €20,687

\*\*\*\* Reduced rate (2.0%) applies for persons over 70 and/or with a full medical card, where the individual's income does not exceed €60,000

## Tax relief for pensions (unchanged)

- Tax relief for pensions remains at the marginal income tax rate
- The Defined Benefit pension valuation factor is an age related factor that will vary with the individual's age at the point at which the pension rights are drawn down
- Except where a Personal Fund Threshold applies, the Standard Fund Threshold is €2m

## Capital acquisitions tax (unchanged)

Rate	33%
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### Thresholds

Group A	€335,000
Group B	€32,500
Group C	€16,250

## Corporation Tax rates (unchanged)

Standard rate	12.5%
Knowledge Development Box rate	6.25%
Land (not fully developed) and non-trading income rate	25%
Exit tax*	12.5%

\* Applies to unrealised gains arising where a company migrates or transfers assets offshore, such that they leave the scope of Irish taxation

## Stamp duty - commercial and other property (unchanged)

7.5% on commercial (non residential) properties\* and other forms of property not otherwise exempt from duty.

\* There is a refund scheme available to reduce the rate of stamp duty to 2% on certain residential development property transfers.

## Stamp duty - residential property (unchanged)

1% on properties valued up to €1,000,000

2% on balance of consideration in excess of €1,000,000

## Deposit Interest Retention Tax (unchanged)

DIRT	33%*
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\* 41% rate remains for exit taxes on financial products