

TAX GUIDE

2015



CAPITAL GAINS TAX

Annual exemption €1,270 per individual. Non-transferable between spouses or civil partners. For disposals made on or after 7th December 2007, land transfer of site for house plus no more than 1 acre from parent to a child (or in specified circumstances a foster child), valued not more than €500,000, for purposes of building principal private residence, is exempt. Tax charged at 33% on gains arising on disposals on/after 6th December, 2012*. Certain profits from dealing in or developing residential property will be charged at the taxpayer's marginal rate of tax**.

*Note: Other rates apply to certain foreign life policies and certain off-shore funds.

**Note: Development rules apply regarding indexation.

Retirement relief on disposals of qualifying assets by individuals aged 66 or more reduced/ restricted for disposals on or after 1 January 2014.

In relation to the disposal of an asset made on or after 1st January 2003, the multiplier is the figure mentioned in column (2) of the Table opposite the mention in column (1) of the Table of the year of assessment in which the deductible expenditure was incurred.

Year of assessment in which deductible expenditure incurred (1)	Multiplier (2)	Year of assessment in which deductible expenditure incurred (1)	Multiplier (2)
1974-75	7.528	1990-91	1.442
1975-76	6.080	1991-92	1.406
1976-77	5.238	1992-93	1.356
1977-78	4.490	1993-94	1.331
1978-79	4.148	1994-95	1.309
1979-80	3.742	1995-96	1.277
1980-81	3.240	1996-97	1.251
1981-82	2.678	1997-98	1.232
1982-83	2.253	1998-99	1.212
1983-84	2.003	1999-00	1.193
1984-85	1.819	2000-01	1.144
1985-86	1.713	2001	1.087
1986-87	1.637	2002	1.049
1987-88	1.583	2003 and subsequent years	1.000
1988-89	1.553		
1989-90	1.503		

No indexation available for disposals made within 12 months of acquisition. Indexation relief only applies for the period of ownership up to 31.12.02 for disposals on or after 1.1.03. In the case of disposals made between 1 January – 30 November, the tax must be paid by 15 December the same year. For disposals 1 December – 31 December the tax must be paid by 31 January in the following year.

WITHHOLDING TAX: Purchasers of specified assets exceeding €500,000 in value must withhold tax @15% if CGT clearance certificate is not furnished prior to closing. Tax withheld becomes payable 30 days after net consideration is paid to seller and will be allowed as credit against vendor's CGT liability.

CAPITAL ACQUISITIONS TAX (INHERITANCE AND GIFT TAX)

*In the case of an absolute inheritance, a parent falls into Group A

Group	Relationship to disponent	2010/11 from 8.12.10 to 6.12.11	2011/2012 from 7.12.11 to 4.12.12	2012 - 2015 from 5.12.12
A	Child/foster child/minor child of a deceased child	€332,084	€250,000	€225,000
B*	Lineal ancestor or lineal descendant: brother, sister, child of brother or sister	€33,208	€33,500	€30,150
C	Others	€16,604	€16,750	€15,075

Base date for aggregation of gifts/inheritances taken after 5 Dec. 2001: 5.12.91
From 01.12.99, aggregation is limited to aggregation within each group
From 26.3.84 to 30.11.99, aggregation arises between all group thresholds

Rate of Tax	Inheritance/Gift
Threshold amount	Nil
Balance	33% on gifts/inheritances taken on or after 6 December 2012 30% on gifts/inheritances taken on or after 7 December 2011 and prior to 5 December 2012

Small Gifts Exemption = €3,000 per individual

Note: Actuarial tables for valuation of limited interests may be viewed by accessing www.lawsociety.ie/documents/committees/taxation/AT.pdf

STAMP DUTIES

Note 1: From 08.12.10 consanguinity relief provided for under Schedule 1 of the Stamp Duties Consolidation Act 1999 no longer applies to residential property. The relief ceased to apply to non-residential property where the instrument is executed after 31 December 2014 with the exception of certain transfers and conveyances between certain closely related parties.

Note 2: For instruments executed on or after 31.03.06, consanguinity relief extends to foster children.

Residential Property Transactions (for instruments executed on/after 7 December 2011)

Consideration	Rate of Duty
First €1,000,000	1%
Excess over €1,000,000	2%

These rates are progressive, not cumulative

Non-Residential Property

2% on full amount of consideration

VAT: 0%; 4.8% (livestock rate, including horses for use in agricultural production or preparation of foodstuffs – otherwise does not include horses and greyhounds); 5.2% (farmers' flat rate); 9% (including horses, other than those chargeable at the 4.8% rate, and greyhounds); 13.5% (to include stud nomination fees w.e.f 1.1.2015); 23%.

PROFESSIONAL SERVICES WITHHOLDING TAX: 20%

CORPORATION TAX

Non-trading rate: 25%

Trading rate: 12.5% (subject to certain exceptions where rate of 25% applies)

Profits on trading in residential development land (other than 'qualifying land'): 25%

Chargeable Gains: 33%

Certain foreign dividends: 12.5 %

LOCAL PROPERTY TAX (PAYABLE FROM 1 JULY 2013)

Market value at 1 May 2013 up to €1 million: 0.18% (tax calculated on midpoint of €50,000 value bands)

Market value at 1 May 2013 exceeding €1 million: 0.25% of excess. Liability (ownership) date for 2015: 1 Nov 2014. N.B. certain local authorities have reduced rates of LPT by up to 15%

Non-principal Private Residence (NPPR) ceased to apply from 1 January 2014 and Household Charge ceased to apply from 1 January 2013.

INCOME TAX

Exemption Limits

	2015
Single/Widowed/Surviving Civil Partner 65 and over	€18,000
Married/Civil Partnership 65 and over	€36,000

Additional for Dependant Children 1 st and 2 nd child (each)	€575
Each subsequent child	€830
<u>Personal Tax Credits</u>	
Single Person	€1,650
Married Person/Civil Partnership	€3,300
Widowed Person/Surviving Civil Partner qualifying for Single Person Child Carer Tax Credit	€1,650
Widowed Person/Surviving Civil Partner without dependant children	€2,190
Widowed Person/Surviving Civil Partner in year of bereavement	€3,300
Single Person Child Carer Tax Credit, Widowed/Surviving Civil Partner, Deserted, Separated or Unmarried (with qualifying dependant children)	€1,650
Widowed Parent/ Surviving Civil Partner bereaved in 2014	€3,600
Home Carer (max.)	€810
PAYE Tax Credit	€1,650
Age Tax Credit if Single/Widowed/Surviving Civil Partner	€245
Age Tax Credit if Married/Civil Partnership	€490
Incapacitated Child	€3,300
Dependant Relative	€70
Incapacitated Person – Allowance For Employing a Carer	€50,000*max

*Relief is allowable at the individual's highest rate of tax, i.e. 20% or 41%

Tax relief, which is given at source, on health insurance premium is limited to €1,000 per adult policy and €500 per child policy.

Tax relief for Water Charges is at the rate of 20% of charges paid in the previous year up to a max of €500 (20% of €500)

Personal Income Tax Rates/Tax Bands

	2015
Single/Widowed/Surviving Civil Partner without dependant children	€33,800 @ 20% Balance @ 40%
Single/Widowed/Surviving Civil Partner Qualifying for One-Parent family tax credit	€37,800 @ 20% Balance @ 40%
Married Couple or Civil Partnership (one spouse with income)	€42,800 @ 20% Balance @ 40%
Married Couple/Civil Partnership (both spouses/civil partners with income) (with an increase of €23,800 max)	€42,800 @ 20% Balance @ 40%

CHILD MINDER'S EXEMPTION:

Full exemption on income up to €15,000: if income exceeds €15,000, entire amount is taxable.

UNIVERSAL SOCIAL CHARGE: Payable on 'aggregate income' which is the aggregate of 'relevant emoluments' and 'relevant income'. This is generally all gross income before certain reliefs but excludes social welfare payments and income that has suffered DIRT. Where 'aggregate income' does not exceed €12,012 per annum, the income is exempt from the USC. Where the 'aggregate income' exceeds the exemption limit, the following rates apply:

€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%

Individual aged 70 Years or over or Individuals who hold full medical cards and who have aggregate income of less than €60,000: *maximum rate of 3.5%*

DOMICILE LEVY

Irish domiciled individuals whose worldwide income exceeds €1m, whose Irish-located property is greater than €5m and whose liability to Irish income tax is less than €200,000 will be subject to a levy of €200,000. Irish income tax paid will be credited against the levy.

RENT A ROOM SCHEME:

Gross annual rental income up to €12,000 is exempt:
if income exceeds €12,000, entire amount is taxable.

MORTGAGE INTEREST RELIEF: Maximum levels of interest relieved

	Single	Married/Widowed/Civil Partnership
First time buyer: ceiling	€10,000	€20,000
Non-first-time buyers: ceiling	€3,000	€6,000

Amount of Relief Available

First-time buyers (from 1.1.09 and up to 31.12.12): 25% in years 1 and 2; 22.5% in years 3-5; 20% in years 6 & 7. Relief ends after year 7.

Mortgages taken out by certain first-time buyers between 1 January 2004 and 31 December 2008 get relief @ up to 30% for the tax years 2012 to 2017

Non-first time buyers: 15% for first 7 years only (effective from 1.5.09).

Qualifying loans taken out before 31 December 2012 continue to get relief for 7 years.

No mortgage interest relief will be allowed on qualifying loans first taken out after 31 December 2012 save for certain transitional loans.

PRSI

Employee rates	Employee	Employer
Annual earnings (and unearned income from 2014) not exceeding €18,512	4%	8.50%
Annual earnings (and unearned income from 2014) exceeding €18,512 – entire amount	4%	10.75%

Employees earning €352 or less per week are exempt from PRSI.

Self-Employed person

Total

PRSI on all income

4%

The minimum contribution for a self employed person is €500

D.I.R.T. (CERTAIN ACCOUNTS / INVESTMENTS)

From 01.01.2014: 41% for deposit accounts (including Credit Union savings accounts) and on exit in relation to certain life assurance policies and investments funds. Refund for DIRT on savings (maximum equal to 20% of purchase price) to purchase a home until end of 2017.

Note: This guide is produced on the basis of figures current at 1 January 2015

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