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Outsourced Accounts Services

TAX SUMMARY

2014

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Income Tax

MAIN PERSONAL TAX CREDITS

	2013 EURO	2014 EURO
Personal Tax Credit		
Single Person	1,650	1,650
Married or in Civil Partnership	3,300	3,300
PAYE Credit	1,650	1,650
Widowed Person or Surviving civil Partner (without dependant children)	2,190	2,190
One Parent Family	1,650	Abolished
Single Person Child Carer	-	1,650
Incapacitated Child Credit Max	3,300	3,300
Blind Tax Credit:		
Single Person	1,650	1,650
Married or in Civil Partnership - One Spouse or Civil Partner Blind	1,650	1,650
Married or in Civil Partnership - Both Spouses or Civil Partners Blind	3,300	3,300
Widowed Parent Bereaved		
Bereaved in 2013	-	3,600
2012	3,600	3,150
2011	3,150	2,700
2010	2,700	2,250
2009	2,250	1,800
2008	1,800	-
Age Credit		
Single or Widowed or Surviving Civil Person	245	245
Married or in a Civil Partnership	490	490
Other credits		
Home Carer's Credit (max)	810	810
Dependent Relative (max)	70	70

INCOME TAX RATES

	2013 EURO	2014 EURO
Single or Widowed or Surviving civil Partner, without Dependent Children		
20% on first	32,800	32,800
Balance	41%	41%
Single or Widowed or Surviving Civil Partner, qualifying for One Parent Family Tax Credit		
20% on first	36,800	36,800
Balance	41%	41%
Married or in a Civil Partnership, one Spouse or Civil Partner with Income		
20% on first	41,800	41,800
Balance	41%	41%
Married or in a Civil Partnership, both Spouses or Civil Partners with Income		
20% on first	41,800 with increase of 23,800 max	41,800 with increase of 23,800 max
Balance	41%	41%

Tax Allowance

Cost of employing carer for incapacitated individual allowed at marginal rate of tax	50,000	50,000
Rent-a-Room Relief (private residence)	10,000	10,000

UNIVERSAL SOCIAL CHARGE (USC)

The USC is a tax payable on gross income, including notional pay, after any relief for certain capital allowances, but before pension contributions. The USC is effective from 1 January 2011 and and will be on a cumulative basis from 1 January 2012.

USC Thresholds (Aged Under 70years)	2013	2014
Income up to €10,036	2%	2%
Income €10,036.01 to €16,016	4%	4%
Income above €16,016	7%	7%

USC Thresholds (Aged 70years or over)	2012	2013
	Individuals aged 70 years or over.	Individuals aged 70 years or over whose aggregate income for the year is €60,000 or less.
	Individuals who hold a full medical card (regardless of age)	Individuals (aged under 70) who hold a full medical card whose aggregate income for the year is €60,000 or less.
Income up to €10,036	2%	2%
Income above €10,036	4%	4%

Exempt Categories

- Where an individual's total income for a year does not exceed €10,035 in 2013 and 2014
- All Dept of Social Protection payments
- Income already subjected to DIRT

Aggregate" income for USC purposes does not include payments from the Dept of Social Protection. A "GP only"

card is not considered a full medical card

MORTAGE INTEREST - TAX RELIEF

Interest paid on qualifying home loans taken out on or after 1 January 2004 and on or before 31 December 2012 will (subject to the exception below) qualify for tax relief up to the end of 2017 at the following general rates and thresholds.

First-Time Buyers - The tax relief on interest paid on qualifying home loans is 25% for years 1 and 2; 22.5% for years 3, 4 & 5 and 20% for years 6 and 7. The upper thresholds in respect of the amount of interest paid qualifying for tax relief are €20,000 for individuals who are married, in a civil partnership or widowed and €10,000 for individuals who are unmarried and not in a civil partnership. After year 7, the rates and thresholds for relief are as for non-first time buyers.

Non-first time buyers - The tax relief on interest paid on qualifying home loans is 15%. The upper thresholds in respect of the amount of interest paid qualifying for tax relief are €6,000 for individuals who are married, in a civil partnership or widowed and €3,000 for individuals who are unmarried and not in a civil partnership.

Exception –

However, notwithstanding the rates of tax relief mentioned above, for individuals who purchased their first principal private residence on or after 1 January 2004 and on or before 31 December 2008, the rate of tax relief on the interest paid on the loan to purchase that property will, for the tax years 2012 to 2017, be 30%.

The relief will be abolished completely by the end of 2017.

RENT TAX RELIEF

Relief for rent credit will be withdrawn on a phased basis over the next 7 years by reducing the amount of rent that can be relieved at the standard rate of income tax as indicated in the following table.

Tax Year	Single Under 55	Single Over 55	Widowed/ Married under 55	Widowed/ Married over 55
2010	2,000	4,000	4,000	8,000
2011	1,600	3,200	3,200	6,400
2012	1,200	2,400	2,400	4,800
2013	1,000	2,000	2,000	3,600
2014	800	1,600	1,600	3,200
2015	600	1,200	1,200	2,400
2016	400	800	800	1,600
2017	200	400	400	800
2018	0	0	0	0

Claimants who were not renting at 7 December 2010 and who subsequently enter into a rental agreement will not be able to claim relief.

EXEMPTION LIMITS

Personal circumstances	**2013 EURO**	**2014 EURO**
Single or Widowed or a Surviving Civil Partner, 65 years of age and over	18,000	18,000
Married or in a Civil Partnership, 65 years of age & over	36,000	36,000
Marginal Relief Tax Rate	40%*	40%*

* The Marginal Relief Tax Rate only applies to persons 65 years of age or over. Marginal Relief may apply, subject to an income limit of twice the relevant exemption limit. The above exemption limits are increased by ?575 for each of the first two dependent children and by ?830 for the third and subsequent children.

Local Property Tax (LPT)

Valuation Band €	LPT in 2013 (half year charge) €	LPT 2014 (full year charge) €
0 to 100,000	45	90
100,001 to 150,000	112	225
150,001 to 200,000	157	315
200,001 to 250,000	202	405
250,001 to 300,000	247	495
300,001 to 350,000	292	585
350,001 to 400,000	337	675
400,001 to 450,000	382	765
450,001 to 500,000	427	855
500,001 to 550,000	472	945
550,001 to 600,000	517	1,035
600,001 to 650,000	562	1,125
650 001 to 700 000	607	1,215
700,001 to 750,000	652	1,305
750 001 to 800 000	697	1,395
800,001 to 850,000	742	1,485
850 001 to 900 000	787	1,575
900 001 to 950 000	832	1,665
950 001 to 1,000 000	877	1,755

>€1m - assessed on the actual value at 0.18% on the first €1m and 0.25% on the portion above €1m

Exemptions

Certain properties will be exempt from LPT. These exemptions largely correspond to exemptions from the Household Charge. Exemptions will also apply to new and previously unused properties purchased from a builder or developer between 2013 and 2016, and to second-hand properties purchased in 2013 by a first time buyer.

Deferrals

A system of deferral arrangements for owner-occupiers will be implemented to address cases where there is an inability to pay the LPT under specified conditions (e.g. where the gross income does not exceed €15,000 - single and €25,000 - couple). Some owner occupiers may be eligible to apply for marginal relief, which will allow them do defer up to 50% of their LPT liability. It should be noted that interest will be charged on deferred amounts at a rate of 4% per annum. Further information, including Frequently Asked Questions on LPT and an online LPT calculator, is available on www.revenue.ie.

Please note that the information provided is based on details announced in the Budget on 5 December 2012 and is subject to enactment of the Finance (Local Property Tax) Bill 2012.

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Benefit in Kind

Company Cars

The basis of the BIK rate applicable to motor vehicles will change from miles to kilometres with effect from 1 January 2014 The employee is taxed on "notional pay" based on the cash equivalent of the benefit of use of a company car. This is calculated as a percentage of the car's original market value (OMV), depending on your annual business travel and the car's CO2 emissions category:

- Category A: 0g/km up to and including 120g/km
- Category B: More than 120g/km up to and including 140g/km
- Category C: More than 140g/km up to and including 155g/km
- Category D: More than 155g/km up to and including 170g/km
- Category E: More than 170g/km up to and including 190g/km
- Category F: More than 190g/km up to and including 225g/km
- Category G: More than 225g/km.

Where the annual business travel is:

- 0 to 24,000 km, the BIK is:
  - 40% for category F, G,
  - 35% for categories D, E, and
  - 30% for categories A, B, C,
- 24,000 to 32,000 km, the BIK is:
  - 32% for category F, G,
  - 28% for categories D, E, and
  - 24% for categories A, B, C,
- 32,000, to 40,000 km, the BIK is:
  - 24% for category F, G,
  - 21% for categories D, E, and
  - 18% for categories A, B, C,
- 40,000 to 48,000 km, the BIK is:
  - 16% for category F, G,
  - 14% for categories D, E, and
  - 12% for categories A, B, C,
- 48,000 or more km, the BIK is:
  - 8% for category F, G,
  - 7% for categories D, E, and
  - 6% for categories A, B, C.

The BIK figure can be further reduced by the amount required to be made good, and actually made good, directly to the employer in respect of the car's running costs

Preferential Loans

Specified rate for home loans from 1 January 2009	4%
Specified rate for other loans from 1 January 2009	13.5%

PRSI (Pay Related Social Insurance)

Private and public sector employments
Rates of contribution from 1 January 2014

This covers employees under the age of 66 in industrial, commercial and service-type employment who have reckonable pay of ?38 or more per week from all employments as well as Public Servants recruited from 6 April 1995.

Further information can be found on www.welfare.ie

Subclass AO

Weekly Pay Band*	How much of weekly pay	All income Employee	All income Employer
€38 - €352 inclusive	All	Nil	4.25%

Subclass AX

Weekly Pay Band*	How much of weekly pay	All income Employee	All income Employer
€352.01 - €356 inclusive	All	4.00%	4.25%

Subclass AL

Weekly Pay Band*	How much of weekly pay	All income Employee	All income Employer
€356.01 - €500 inclusive	All	4.00%	10.75%

Subclass A1

Weekly Pay Band*	How much of weekly pay	All income Employee	All income Employer
More than €500	All	4.00%	10.75%

* Share-based remuneration may in certain circumstances be subject to employee PRSI. Employer's PRSI is not chargeable on share-based remuneration.

Community Employment participants only

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Corporation Tax

Standard Rate on Trading Income	12.5% from 1 January 2003
Investment/Rental Income	25%

Payment - Small Companies

With effect from 6 December 2007 a small company is a company with a corporation tax liability of less than € 200,000 in the preceding year.

Preliminary tax of at least 90% of the liability for the period or 100% of previous year's liability is due one month (by the 21st day of that month) before the end of the accounting period.

New or start up companies with a Corporation Tax liability of less than € 200,000 in their first accounting period will not be required to pay Preliminary Corporation tax. The liability is paid when the return is filed.

Payment - Other Companies

Finance (No.2) Act 2008 provides for revised arrangements for the payment of preliminary tax by large companies with a tax liability of more than € 200,000 (in their previous accounting period).

The new arrangements provides for payment of preliminary tax by large companies in two instalments.

The first instalment will be payable in the 6th month of the accounting period (i.e. 21st/23rd June for a company with calendar year accounts) and the amount payable will be 50% of the corporation tax liability for the preceding accounting period or 45% of the corporation tax liability for the current accounting period.

The second instalment will be payable (as before) in the 11th month of the accounting period i.e. 21st/23rd November for a company with calendar year accounts) and the amount payable will bring the total preliminary tax paid to 90% of the corporation tax liability for the current accounting period.

The revised arrangements apply generally where the accounting period is more than 7 months in length (for shorter accounting periods, preliminary tax of 90% of tax liability is payable in one instalment as before)

Start-Up Companies - 3 Year Tax Exemption

The scheme which provides relief from corporation tax on the trading income and certain gains of new start-up companies in the This scheme provides relief from corporation tax on trading income (and certain capital gains) for new start-up companies in the first 3 years of trading. This scheme is being enhanced to allow any unused relief arising in the first 3 years of trading due to insufficiency of profits to be carried forward for use in subsequent years. This is subject to the maximum amount of relief in any one year not exceeding the eligible amount of Employers' PRSI in that year.

Research and Development (R & D) Tax Credit

The R&D Tax Credit regime provides for a 25% tax credit for incremental expenditure on certain research and development (R&D) activities over such expenditure in a base year (2003). Finance Act 2012 provided that the first ?100,000 of qualifying R&D expenditure would benefit from the tax credit without reference to the 2003 threshold. The amount of expenditure so allowed on a volume basis was increased to ?200,000 in Finance Act 2013 and is now being increased again to ?300,000. The limit on the amount of qualifying research and development expenditure that can be outsourced to another company is also being increased from 10% to 15%.

Capital Gains Tax

Capital Tax Rates

The standard rate in respect of disposals is determined based on the date on which the disposal was made as follows:

- Disposals made from 6 December 2012 - 33%
- Disposals made from 7 December 2011 to 5 December 2012 - 30%
- Disposals made from 8 April 2009 to 6 December 2011 - 25%
- Disposals made from 15 October 2008 to 7 April 2009 - 22%
- Disposals made made on or before 14 October 2008 - 20%
- The first 1,270 Euro of an individual's annual chargeable gains, net of allowable losses, is exempt.

What is Capital Gains Tax?

CGT is a tax on a capital gain arising on the disposal of assets owned by you. At its simplest, deducting the price you paid for an asset when you acquired it from the sale proceeds when you dispose of it gives you the chargeable capital gain.

In calculating the amount of tax payable, deductions are allowable for incidental costs of acquisition, such as solicitor's fees, stamp duty etc. and incidental costs of disposal such as, solicitors/auctioneers fees etc. In addition, where an asset was acquired before 2003, inflation relief may be available, effectively adjusting the cost in line with a published inflation factor.

Are any Gains exempt from CGT?

Gains on the disposal of some assets are specifically exempted from CGT. These include: Read more

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Gift/Inheritance Tax

Portion of taxable value of benefits	% (From 08/04/09)	% (From 07/12/11)	% (From 07/12/12)
The threshold amount	Nil	Nil	Nil
The balance	25	30	33

Notes

1. The rates of inheritance tax and gift tax are applied by reference to the aggregate of all taxable inheritances and taxable gifts taken after 5th December 1991 by the beneficiary being taxed. Inheritances or gifts taken before 5th December 1991 are not aggregated in relation to inheritances or gifts taken on or after that date.
2. Tax rates were considerably higher for benefits taken prior to 1st December 1999 and differed between gifts and inheritances.
3. For the purpose of Gift and Inheritance Tax, the relationship between the person who provided the gift or inheritance (i.e. the Disponer) and the person who received the gift or inheritance (i.e. the beneficiary), determines the maximum tax free threshold - known as the "group threshold".
4. For the new indexed threshold amounts, see table below.

Relationship to donor	**Gift or inheritance in**			
	From 08/12/10 (€)	From 01/01/11 (€)	From 07/12/11 (€)	From 07/12/12 (€)
Son/Daughter	332,084	332,084	250,000	225,000
Parent*/Brother/Sister/				
Niece/Nephew/	33,208	33,208	33,500	15,075
Grandchild				
Any other person	16,604	16,604	16,750	15,075

* In certain circumstances a parent taking an inheritance from a child can qualify for the Group A threshold.

Capital Allowances

Plant & Machinery

Expenditure incurred on or after 4 December 2002 on plant and machinery, fixtures and fittings etc, may be written off at 12.5% per annum on a straight line basis over an 8 year period (previously 20% per annum over 5 years).

Motor Vehicles

The annual allowance for motor vehicles (other than taxi and short-term hire vehicles) is 12.5% on a straight line basis for expenditure incurred on or after 4 December 2002 (previously 20% per annum on a straight line basis). The maximum qualifying cost of motor vehicles purchased on or after 1 January 2007 is €24,000 (with varying figures applying for prior years). The €24,000 restricted cost applies to both new and secondhand motor vehicles.

A revised scheme for capital allowances and leasing expenses for cars used for business purposes is being introduced from 1st July 2008. The revision will link the availability of such allowances and expenses to the CO_2 emission levels of the vehicles. Cars will be categorised by reference to CO_2 emissions with the emissions bands being broadly consistent with the new VRT system, as follows:

Category A Vehicles	Category B/C Vehicles	Category D/E Vehicles	Category F/G Vehicles
0 –120g/km	121 – 155 g/km	156 – 190 g/km	191 g/km +

Cars with CO_2 emission levels in Category A/B/C above will benefit from capital allowances at the current car value threshold under the existing scheme of €24,000, regardless of the cost of the car. Cars in Category D/E will receive allowances subject to a car cost limit of €12,000 or 50% of the cost of the car, if lower. Cars in Category F/G will not qualify for capital allowances.

Capital Allowances for Energy-Efficient Equipment

Section 46 Finance Act, 2008 (now Section 285A TCA, 1997) introduced a new incentive for the provision of certain energy-efficient equipment for use in a company's trade. The equipment must be approved and listed by the Minister for Communications, Energy and Natural Resources. Accelerated capital allowances of 100% of the capital expenditure incurred can be claimed for the year in which the equipment is provided and used.

Capital allowances in the form of wear and tear allowances will be available where the provisions of Section 284 TCA, 1997 are met as follows:

- A person carrying on a trade must incur capital expenditure on the provision of machinery or plant for the purposes of that trade;
- The machinery or plant must belong to that person;
- The machinery or plant must be in use at the end of the chargeable period for which the allowances are claimed;
- While the machinery or plant is used for the purposes of the trade, it must be wholly and exclusively so used.

Because of the possibility that the approved energy-efficient equipment might not be regarded as machinery or plant in its own right for the purposes of wear and tear allowances, any products that have been approved and listed are deemed to be machinery or plant.

Wear and tear allowances for machinery or plant are generally given over an 8-year period at an annual rate of 12½% of the capital expenditure incurred. In the case of approved energy-efficient equipment, this rate is accelerated and the entire allowance can be claimed in the first year in which the equipment is provided and used for the company's trade. Energy-efficient equipment that is machinery or plant but that has not been approved and listed can, of course, avail of the normal wear and tear allowances.

The normal rules regarding balancing allowances/charges in Section 288 TCA, 1997 apply. Where certain 'balancing' events occur, for example, the sale of the equipment or its ceasing to be used for the purposes of the trade, additional wear and tear allowances may be due, or there may be a clawback of the allowances already granted. This will depend on the proceeds or value of the equipment (or deemed proceeds/value) at the time of the event.

VAT (Value Added Tax)

Tax Rates

23% (standard rate)	This applies to all goods and services that are not exempt or liable at the zero or reduced rates
13.5% (reduced rate)	This applies to certain fuels, buildings and building services, certain newspapers etc.
9%	This applies to certain goods and services (mainly related to tourism). This rate applies to restaurant and catering services; hotel and holiday accommodation; admissions to cinemas, theatres, certain musical performances, museums and art gallery exhibitions; fairgrounds or amusement park services; the use of sporting facilities, hairdressing services; printed matter such as brochures, maps, programmes, leaflets, catalogues and newspapers.
0%	These include exports, certain food and drink, oral medicine, certain books etc.
4.8%	This applies to livestock, live greyhounds and the hire of horses.
5%	Farmer's VAT flat rate addition (from 1st Jan 2014).
Exempt	These include financial, medical and educational activities.

Extensive Listing Good & Services VAT Rates

VAT Registration Limits

Supply of goods	€75,000
Supply of services	€37,500

VAT Cash Accounting

The annual VAT cash receipts basis threshold for small to medium businesses is being increased from €1.25 milion to €2 milion with effect from 1 May 2014.

Tax Due

19th day of the month after the VAT period

When is VAT not deductible?

- expenditure incurred by them on food or drink, or other personal services for themselves, their agents or employees, except to the extent, if any, that such expenditure is incurred in relation to a supply of services in respect of which they are accountable for tax
- expenditure incurred on accommodation other than qualifying accommodation in connection with attendance at a qualifying conference as defined in the legislation
- expenditure incurred by the accountable person on food or drink, or accommodation or other entertainment services, where such expenditure forms all or part of the cost of providing an advertising service in respect of which tax is due and payable by the accountable person
- entertainment expenses incurred by the accountable person, their agents or employees
- the purchase, hiring, intra-Community acquisition or importation of passenger motor vehicles other than certain qualifying motor vehicles (and other than motor vehicles held as stock-in-trade, or for the purposes of the sale of those motor vehicles by a financial institution in the context of a hire-purchase agreement, or for the purpose of a business of the hiring of motor vehicles, or for use in a driving school business)
- the purchase, intra-Community acquisition or importation of petrol otherwise than as stock-in-trade
- contract work involving the handing over of goods when such goods are themselves not deductible

Stamp Duties

Non Residential Property (From 7th Dec 2011)

All forms of property (other than stocks and shares and residential property) such as land, buildings, goodwill, book debts, cash on deposit and benefits of contracts, attract stamp duty at the rates set out below.

Consideration	Rate of Duty
All Amounts	2%

Residential Property (From 8th Dec 2010)

A new lower rate of 1% will apply to instruments where the consideration attributable to residential property does not exceed €1,000,000. A higher rate of 2% will apply to the excess of the consideration over €1,000,000. In conjunction with the introduction of the lower rate of 1%, which will apply to the entire amount of the consideration up to €1,000,000.

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

Leases

A lease is chargeable to stamp duty on both the premium (or fine) and the rent payable under the lease.The duty chargeable on the premium is at the rate for residential or non-residential property as appropriate.

Residential and Non-Residential Property	Rate %
Lease for a term not exceeding 35 years or for any indefinite term	1% of the average annual rent
Lease for a term exceeding 35 years but not exceeding 100 years	6% of the average annual rent
Lease for a term exceeding 100 years	12% of the average annual rent

A lease of a house or apartment for a term not exceeding 35 years or for any indefinite term and where the rent does not exceed €30,000 per annum is exempt from stamp duty.

Other	Rate %
Bills of Exchange (Incl Cheques)	€0.50
Shares	1%
Non-Life Insurance Levy (of gross premiums)	3%
Credit Card & Charge Cards	€30 p.a.
ATM Cards	€2.50 p.a.
Laser Cards	€2.50 p.a.
Combined ATM/Laser Cards	€5 p.a.

Enterprise Securities Market (ESM) Companies An exemption from stamp duty is being introduced in respect of the transfer of shares in companies which are listed on the Enterprise Securities Market of the Irish Stock Exchange.

Enterprise Securities Market (ESM) Companies The eligibility requirements for the stamp duty relief for Young Trained Farmers for the purchase of agricultural properties is being extended by adding three more qualifying courses to the list of relevant qualifications required to obtain the relief.