

Budget 2020

The Main Points

No change in income tax and USC rates and bands for 2020. However, two tax credits are increased:

Earned income tax credit for the self-employed and proprietary directors increased by €150 to €1,500 for 2020.

The Home Carer tax credit increases by €100 to €1,600 for 2020.

No State Pension increases for 2020 but two allowances are increased from March 2020:

The Living Alone allowance by €5 pw to €14 pw

The Qualified Child by €3 pw for under 12s and by €2 pw for the over 12s to €36 pw and €40 pw respectively.

CAT Class A Threshold increased by €15,000 to €335,000 from 9th October 2019.

No changes announced in private pension tax reliefs or taxation of benefits.

Employer's Class A PRSI rate increases to 11.05% in 2020 (for those with earnings over €386 pw).

The annual limit for tax relief on investing in Employment and Investment Incentive (EII) is increased from €150,000 to €250,000 from 8th October 2019 and to €500,000 for those who invest for at least 10 years.

The Help to Buy tax rebate scheme extended to end of 2021.

Stamp Duty rate on purchase of commercial property increased to 7.5% from 8th October 2019.

Dividend Withholding Tax (DWT) increases from 20% to 25% from 1st January 2021.

Other taxation and pension changes not announced in the Budget could be introduced later in the Finance Bill 2019