

Budget 2010 Key points

Personal Income Tax Rates - No Change

	At 20 % First	At 41 % Balance
Single person	€36,400	Balance
Married Couple (One income)	€45,400	Balance
Married Couple (two income) *	€72,800	Balance
One parent / Widowed Parent	€40,400	Balance

* Subject to max transferable of 45,400

Income Levy - No Change

	Income
Income Levy	- up to €15,028
Income Levy	1.00 €15,028 to €75,036
	2.00 €75,036 to €174,980
	3.00 €174,981 >

Calculated on Gross income (Excluding Social welfare payments, contributory and non-contributory pensions.

PRSI Contribution - No Change

	%	
Employer	10.75	No Limit
	8.50	If income is €356 pw or less

Employer (Class A1)

PRSI	4.00	on first €75,036
Health	4.00	Income up to €75,036
	5.00	Income > €75,036

Proposed reform to Income Tax System:

A universal social contribution paid by all workers at a low rate (which will replace the current PRSI/health levy/income levy), and Income tax will apply on a progressive basis as earnings increase. The objective is to introduce a new income tax system in 2011.

Self-employed PRSI - No Change

	%	
Social insurance	3.00	No Limit*
	4.00	Income up to €75,036
	5.00	Income > €75,036

* Minimum annual PRSI contribution is €253

Capital Gains tax - No Change

	%	
Rate	25%	
Annual Exemption		€1,270

Capital Acquisitions tax

	%
Rate	25%

Value Added Tax : Reduction in standard rate

Standard rate / Lower rate	21%	From 1 January 2010
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Mortgage interest

Extension to mortgage interest relief to home owners who are now in negative equity.

Mortgage interest relief to be abolished by 2017

Public Sector Pay Reduction

	Percentage Reduction
Taoiseach Salary	20%
Minister & Secretaries General	15%
Public Servants earning €200,000 or more	15%
Public Servants earning €165,000 to €200,000	12%
Public Servants earning €125,000 to €165,000	8%

Other Public Servants pay reductions with effect from 1 January 2010 include:

A reduction on the first €30,000 of earnings	5%
A reduction on the next €45,000 of earnings	8%
A reduction on the next €55,000 of earnings	10%

Corporation tax rates

Standard rate	12.50%
Incentive rate	10% *
Residential Land, not fully developed	25%
Non-Trading income rate	25%

* Companies entitled to the 10 % CT rate retain it until 2010

Social Welfare

Child benefit rate to be reduced by €16 per month
Family Income Supplement earning threshold increased by €6 per week

Job Seekers Personal Allowance rates reduced for:

New applicants aged between 20 to 21 to an amount of €100 per week

New applicants aged between 22 to 24 to amount of €150 per week

The personal rate of Jobseeker's Allowance and basic Supplementary Welfare Allowance will be reduced to €150 per week where job offers or activation measures have been refused.

Excise Duty: effective from Midnight. 09th of December 2009

Diesel will increase by	4.9 cent per Litre.
Petrol will increase by	4.2 cent per Litre.
Beer & cider reduced by	12 cent per pint
Glass of wine reduced by	14 cent per half glass
Bottle of wine reduced by	60 cent per bottle
Cigarettes pack of 20	No Change

Gas will increase by	6% from May 2010
Oil will increase by	4% from May 2010

Budget Framework

In the future, the Government will consider introducing the following measures to raise additional taxes:

- Water meter charges based on consumption above a free threshold
- Property/site valuation tax, register of land ownership to be developed
- Introduction of a property tax
- Review of tax exemptions and allowances to eliminate unnecessary reliefs