Finance Bill 2022

The EY Perspective

Tax Alert

Building a better working world

Finance Bill 2022 published

On 20 October the Government published Finance Bill 2022 (as initiated). The Bill primarily seeks to implement the tax elements of Budget 2023 measures announced on 27 September last. However, in addition to clarifying aspects of the Budget 2023 announcements, it also contains previously unannounced measures, some of which are highlighted below.

Business taxes

Research & Development Tax Credit Regime

The Research & Development (R&D) tax credit is a key incentive for companies performing R&D in Ireland. A 25% refundable credit is available for R&D expenditure. Earlier this year, the Department of Finance conducted a public consultation on the R&D tax credit. As part of this consultation, EY recommended a number of changes to the R&D tax credit regime to ensure that it is aligned and compliant with broader international tax reform efforts.

The Bill gives effect to many of these recommendations, as announced in last month's Budget. These changes will introduce amendments to the payable element of the R&D tax credit which are intended to protect the value of the regime in an international context and are as follows:

- The Bill introduces a new fixed 3-year payment schedule, split 50% in year 1, 30% in year 2, and the balance of 20% in year 3. This is a welcome acceleration of the R&D incentive from what was a previous 33% split over 3 years
- Companies will now have the option of receiving their R&D benefits in either cash or by offset against other tax liabilities. It will be interesting to see if this change results in more companies reflecting the benefit of the R&D tax regime above the line, something which can significantly enhance the cost competitiveness of an Irish operation
- In a much welcome move, existing caps on the refundable elements of the R&D regime have now been removed
- In order to encourage greater SME engagement, the first €25,000 of an R&D claim will now be payable in full
- Pre-trading expenditure will now be paid in cash over a 3-year period from when the company commences to carry on a trade
- Transitional measures are in place and the above changes apply to accounting periods beginning on or after 1 January 2022

Interestingly no credit will be due to a company unless a 'valid claim' is made by a company, a concept which is defined as all information furnished by the company which the Revenue may reasonably require to enable them to determine if the R&D credit is due to a company. EY will engage with the relevant stakeholders to seek clarification on this point, and in particular to ensure this does not adversely impact on either the timing of the payments or the level of information required to support an R&D claim.

Digital Games Tax Credit

While first announced as part of last year's Budget (Budget 2022), the European Commission has recently approved a tax credit scheme in Ireland to support the development of digital games that promote Irish or European culture. The new 32% tax credit for the digital gaming sector on eligible expenditure of up to €25m per project will run until 31 December 2025. Minor amendments have been proposed in the Bill to feedback received from the European Commission. This relief will come into operation upon appointment by order by the Minister for Finance.

Transfer Pricing

The Bill provides for the 2022 edition of the OECD's Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations (OECD Guidelines) to be placed on an Irish statutory footing. Prior to this, Irish transfer pricing rules had referred to the 2017 edition of the OECD Guidelines. The 2022 edition incorporates the 2017 edition, the FTTP Guidance, the Guidance for Tax Administrations on the Application of the Approach to Hard-to-Value Intangibles - BEPS Actions 8-10 and the Revised Guidance on the Application of the Transactional Profit Split Method: Inclusive Framework on BEPS: Actions 8-10. The three pieces of supplementary guidance represent clarifications on principles set out in the 2017 edition rather than setting out new principles.

Business taxes

Temporary Business Energy Support Scheme

The Bill provides for the introduction of the Temporary Business Energy Support Scheme (TBESS), a scheme announced in the Budget to support businesses that have suffered significant increases in energy costs due to exceptional rise in global energy prices. The details and conditions of the scheme are contained in the Bill. As clarified since the Budget, the scheme can also apply to those carrying on a profession as well as new businesses and to charities. The scheme is subject to a Ministerial Commencement order which must await EU State Aid approval.

The scheme will be administered by the Revenue Commissioners and a monthly cap of €10,000 per trade or profession applies, subject to a potential cap of €30,000 where there are multiple meter point reference numbers (MPRNs). All claims must be made within 4 months of the end of the relevant claim period. In computing the profits or gains of a trade or profession, allowable disbursements and expenses must be reduced by the TBESS payment.

It is intended that the scheme will operate for energy costs for the period 1 September 2022 to 28 February 2023. Pending an ongoing review of the European Commission's Temporary Crisis Framework (TCF), the Bill currently provides for an end date of 31 December 2022 with the possibility of extension by Ministerial order to 30 April 2023.

Sale of intra group patent rights

The Bill proposes welcome modifications to the treatment of intra group disposals of patent rights. The first amendment provides for the application of group relief provisions to the sale of patent rights subject to necessary modifications and the sale meeting the conditions of those provisions. Relief is provided by deeming the intra group sale of patent rights to be at such an amount that neither a gain nor a loss arises on the sale and the acquiring company effectively steps into the shoes of the selling company. A second amendment confirms that the outright sale of a patent (or patent pending) is chargeable to capital gains tax as opposed to income tax, albeit we believe that the definition of patent warrants further consideration.

Interest limitation rules

As expected, the Bill contains some technical amendments to the interest limitation rules introduced by Finance Act 2021 to ensure that they operate as intended. Those rules placed an interest deduction limitation of 30% of earnings before interest, tax, depreciation and amortisation (EBITDA) on in-scope companies. The technical changes include the interaction of the interest limitation carry forward rules with the specified intangible assets regime, the treatment of certain group relief claims and how preliminary tax is to be computed. The Bill also provides that repayments of debt consisting of both a legacy and non-legacy element will be considered as a repayment of the legacy debt element first.

Foreign currency gains: Trade receivables and bank accounts

When computing trading income for corporation tax purposes, foreign currency gains or losses on what are described as 'relevant monetary items' and on relevant contracts are taken into account to the extent that they are properly credited or debited, as the case may be, to the profit and loss account. It has been a long-established practice to regard foreign exchange gains and losses on trade receivables and bank accounts used for the purpose of a trade as if they were 'relevant monetary items'. Following discussions between practitioners and the Revenue Commissioners, this practice, has been put on a statutory footing.

Controlled Foreign Companies and non-cooperative jurisdictions

Finance Act 2020 introduced certain 'defensive' measures against an EU-agreed list of non-cooperative jurisdictions, namely the non-availability of certain controlled foreign company exemptions. This list was amended in 2021 and has now been further amended to take account of the list agreed on 4 October at ECOFIN Council. The new list applies for accounting periods beginning on or after 1 January 2023.

Business taxes

Agri-tax measures

Some provisions expected in the Bill were not contained therein but may be introduced at Committee Stage next month. These include provision for accelerated capital allowances for slurry storage and the extension of several agricultural tax measures that are due to expire at the end of December 2022. These are dependent on the ongoing Agricultural Block Exemption Regulation (ABER) negotiations at EU level. The reliefs impacted are:

- Young Trained Farmer (YTF) Stamp Duty Relief
- Farm Consolidation (Stamp Duty) Relief
- Farm Restructuring (CGT) relief
- Young Trained Farmer Stock Relief
- Registered Farm Partnership Stock Relief

Amendments to reliefs for investments in corporate trades

The Bill makes three amendments to the Employment Investment Incentive Scheme.

Firstly, partners in a partnership that constitutes a 'qualifying investment fund' within the meaning of the scheme will not be regarded as associated with each other solely on that basis. This is relevant to the prohibition on being connected with the investee company as it extends to associates of individuals.

Secondly, the statement of qualification that issues to a qualifying investor or manager of a designated fund or qualifying investment fund is to be modified to state the amounts that qualify for relief in one year (shares issued after 8 October 2019) where applicable.

Finally, the rule providing for recovery of EII relief claimed where necessary from the investee company is being updated to ensure that the full amount of relief can be recovered and not merely 30/40ths of it. This will apply to shares issued on or after 1 January 2023.

Property taxes

Stamp Duty: Residential units

The Bill clarifies that the imposition of a 10% stamp duty rate on the acquisition of over 10 residential units in any 12-month period applies where there is an acquisition of a partial interest in a residential unit and not just a full interest. That partial interest shall be expressed as a fraction for the purposes of determining the 10 unit threshold. The Bill also provides that residential units acquired by a home reversion firm by way of a home reversion agreement are excluded from the 10% rate, i.e., by implication subject to stamp duty at the standard rate.

Stamp Duty: Affordable housing

The Bill provides for a full repayment of stamp duty charged at either the standard residential rate (i.e., 1% on first €1m and 2% on the balance) or the higher 10% rate where a residential property was acquired and sold within 12 months of acquisition for the purpose of affordable home arrangements under the Affordable Housing Act 2021. The residential property must be purchased by a person who then enters into a 'direct sales agreement' with a local authority in relation to the sale of the residential property to an eligible applicant nominated by a local authority and subsequently sells the property to such an eligible applicant.

The Bill also provides for a partial repayment of stamp duty (being the difference between stamp duty paid at the 10% rate and stamp duty at the standard rate), if certain conditions are satisfied, in respect of properties that have been – (i) let to a housing authority or an approved housing body for social housing purposes, or (ii) designated as a cost rental dwelling under the Affordable Housing Act 2021, or (iii) registered as a designated centre under the Health Act 2007 to provide care in the community for those with special needs, or (iv) registered as a children's residential centre under the Child Care Act 1991 to provide homes for children in care.

These amendments are subject to a commencement order.

Help to Buy

Budget 2023 announced the extension of the enhanced Help to Buy (HTB) relief for a further two years to 31 December 2024. The Bill provides for the extension.

Living City Initiative

Budget 2023 announced the extension of the scheme for a further five year period to 31 December 2027. Qualifying expenditure incurred on refurbishment or conversion work carried out up to this new termination date may qualify for tax relief under the scheme.

The Bill also amends the owner-occupier residential element of the scheme to provide that relief for qualifying expenditure incurred on or after 1 January 2023 shall be allowed over 7 years at a rate of 15% in the first 6 years and 10% in the final year. A carry forward of relief which is unused in the 7 year period will be permitted. An individual may carry forward unused relief for up to 9 years after the year in which the claim is first made, i.e. up to a maximum of ten years after the expenditure is incurred.

Property taxes

Vacant Homes Tax

Budget 2023 announced a new Vacant Homes Tax (VHT) which the Bill now legislates for. The new tax shall apply to residential units in use or suitable for use as dwellings that are occupied for less than 30 days in a 12 month period, running from 1 November to 31 October. The tax will be levied at a rate equal to three times the property's existing base Local Property Tax (LPT) rate and will be imposed in addition to a property's LPT charge. The Bill provides for a number of exemptions. The first chargeable period for VHT will commence on 1 November 2022 and end on 31 October 2023. Owners of vacant properties will be required to self-assess liability to the tax and file a return in November 2023. Payment in respect of this chargeable period will fall due on 1 January 2024.

Residential Zoned Land Tax

A number of technical amendments are made to the Residential Zoned Land Tax to support its efficient administration. In particular, the Bill brings the tax within the scope of mandatory e-filing.

Rent tax credit

The Finance Bill has clarified that the proposed rent tax credit announced in Budget 2023 will be available to parents paying rent on behalf of their children in third-level education, where a student is under the age of 23 years on 1 January of the year of their first point of entry into an approved course.

Rents payable to non-residents

This Bill provision, which was not referred to in the Budget, provides that:

- A tenant paying rent directly to a non-Irish resident person will now be required to disclose additional information to Revenue in respect of their landlord when remitting the 20% withholding tax to Revenue
- Irish resident 'collection agents' acting on behalf of non-resident landlords are to be relieved of their obligation of being chargeable and assessable to tax on behalf of a non-resident landlord where they deduct withholding tax from rental payments, remit that tax to Revenue and provide Revenue with certain information related to the payments

This provision is subject to a Ministerial Commencement Order.

Defective Concrete Products Levy

This provision applies a levy on the first supply of a defined list of certain concrete products, calculated at 5% of the open market value of the products (originally 10% at the time of the Budget). The levy will be self-assessed. It will come into effect on 1 September 2023 (originally 3 April 2023 at the time of the Budget).

Personal taxes

Foreign pension lump sums

Where an Irish tax resident individual receives a lump sum from a foreign pension on or after 1 January 2023, they will be taxed in the same manner as a lump sum received from an Irish pension. The first €200,000 of the lump sum will be exempt from tax, the portion between €200,000 and €500,000 will be taxed at the standard rate of tax i.e. 20%, and any portion over the €500,000 will be taxed at the individual's marginal rate of tax and universal social charge (USC).

These limits are lifetime limits. Thus, all lump sums from a foreign pension fund after 1 January 2023 and from Irish pension funds irrespective of when paid will be aggregated when determining the availability of these limits.

Pan-European Personal Pension Product

The Bill sets out the tax treatment and relief applicable to the pan-European Personal Pension Product (PEPP) which has been introduced in line with EU Regulations to create a single European market for personal pensions. A PEPP is similar in nature to the Irish Personal Retirement Savings Account (PRSA) and will be treated in the same manner for tax purposes. For example:

- Taxpayers who invest in a PEPP will receive tax relief in line with the existing age and earnings limits for pension contributions, and the growth of the PEPPs will be exempt from tax
- Tax will apply on pension drawdowns with the exception of the tax-free lump sum
- Tax relief will apply for employer contributions
- Provision is made for an Approved Retirement Fund (ARF) when the assets become available

Consequential amendments throughout the tax code are to be made upon the introduction of PEPPs to ensure that PEPPs qualify for the same tax treatment as PRSAs.

Furthermore, an employer contribution to a PEPP or PRSA is exempt from benefit in kind provisions. The existing section has been updated to ensure that a contribution by an employer and employee to a PRSA will not both be treated as being made by the employee.

Exemption of certain profits – production, maintenance and repair of certain musical instruments

An income tax disregard of €20,000 is to be introduced for individuals who trade in the manufacture, maintenance or repair of early Irish harps, Irish lever harps or uilleann pipes. It will apply for tax years 2023 to 2025.

Exemption for Covid-19 Related Lay-off payments

The Bill also provides for a tax exemption for the payment known as the Covid-19 Related Lay-Off Payment (CRLP). The exemption applies to payments made on or after 19 April 2022.

Exemption for incorrect birth registration payments

Provision is made for ex-gratia payments generally referred to as the Ex Gratia Payment in Respect of an Incorrect Birth Registration to be exempt from income tax. It will apply to payments of up to €3,000 per individual.

Employer taxes

Employer obligation to disclose reportable benefits to Revenue

The Bill provides for the introduction of additional automatic reporting obligations for employers. Employers will be required to report details in a return for the following items provided to employees in any income tax month:

- Payments to employees of the remote working daily allowance of €3.20
- Provision of small benefits to employees availing of the Small Benefit Exemption
- Payments to employees for travel and subsistence which are treated as tax-free

This provision is subject to a Ministerial Commencement Order. The Explanatory Memorandum released with the Bill indicates that stakeholder engagement on the measure will take place first.

Inclusion of cargo bicycles in the cycle-to-work scheme

The cycle-to-work scheme allows employers to purchase bi-cycle equipment for employees who avail of a salary sacrifice arrangement to pay back their employer for the cost up to the value of €1,250 or €1,500 in case of e-bikes. The amount salary sacrificed is exempt from income tax, USC and employer and employee PRSI.

The Bill extends the cycle-to-work scheme to cargo bi-cycles with a special purpose frame designed to carry large or heavy loads or passengers other than the rider. The amount available for the relief is up to the value of €3,000.

Extension of Foreign Earnings Deduction

The Bill confirms the extension of the Foreign Earnings Deduction concession to the end of 2025.

Extension and changes to the Special Assignee Relief Program

The Special Assignee Relief Program (SARP) was introduced in 2012 to encourage the relocation of key talent within businesses to Ireland. Qualifying claimants can avail of income tax relief on the portion of employment income earned after the first €75,000 for up to five tax years. The relief does not apply to USC or PRSI. There are a number of strict conditions which both the employer and employee must meet in order to be eligible for and to claim SARP. The relief was due to expire for new entrants to Ireland at the end of 2022.

New entrants

The Bill has extended the relief to the end of 2025 for employees arriving in Ireland on or after 1 January 2023, However, to qualify for SARP employees arriving in Ireland from this date must have a minimum base salary of €100,000. In addition, the individuals arriving in Ireland on or after 1 January next will only be able to avail of an income tax deduction on the portion of employment income earned after the first €100,000.

Further strict conditions are imposed on new entrants. The individual must have a Personal Public Service (PPS) Number in place and the employer must have complied with the employer obligation for a new employee as outlined in the PAYE Regulations.

Current claimants

For employees who arrived in the State on or before 31 December 2022, the changes in the minimum base salary and the portion of employment earnings the relief is applied to remains unchanged at €75,000 for SARP claims made in 2023 and subsequent years, provided the claimant continues to meet all relevant conditions of the relief and is subject to the maximum five years.

Key employment engagement programme

Improvements to the Key Employment engagement Programme (KEEP) scheme had been announced in Budget 2023. These included the extension of the scheme to share buybacks and the doubling of the lifetime company limit from €3m to €6m. There was also an intent to broaden the relief to facilitate group structures. These are not in the Bill as published but Committee Stage amendments may be proposed to introduce these measures.

Two technical amendments may also be proposed to align the rate of interest on late payments of Relevant Tax on Share Options with that which applies to unpaid income tax and also to ensure Revenue can seek penalties for non-compliance with Form RTSO1 obligations.

Financial services

Management of EU funds: VAT

The Bill proposes a significant amendment to the VAT treatment of fund management services provided to EU Funds. The proposed amendment provides that the fund management exemption which currently applies to the management of Irish domiciled UCITS and AIFs will be extended to the management of UCITS and AIF's authorised in other EU Member States. This will have an impact on the VAT recovery position of Irish providers of fund management services to such entities.

Management of Section 110 entities

The Bill proposes that the fund management exemption which currently applies to the management of Section 110 entities, will no longer be available to Section 110 entities holding 'qualifying assets' in the form of plant and machinery.

Bank levy

The bank levy will be extended for a further year to the end of 2023, while maintaining 2019 as the base year for the levy calculation. Ulster Bank and KBC have been excluded, as they are in the process of ceasing operations in Ireland. The remaining banks operating in the Irish market will pay the same levy in 2023 as they did in 2022.

Reporting by exempt unit trusts, common contractual funds and investment limited partnerships

Exempt unit trusts, common contractual funds (CCF) and investment limited partnerships have annual reporting requirements for the provision of certain information to the Revenue Commissioners by 28 February every year. The Bill now will require additional information to be provided annually on the activities of these type of investment fund vehicles including their net asset values. It will also make management companies of CCFs and partners in investment limited partnerships liable to a penalty of €3,000 for incorrect or incomplete statements.

Material interest in offshore funds

Disposals of material interests in offshore funds can be subject to a special taxation regime to which marginal rates of income tax rather than capital gains tax may apply. An interest in a unit trust scheme, the trustees of which are non-resident, can be considered a material interest in an offshore fund. The Bill clarifies that where the general administration of an authorised unit trust takes place in Ireland, it will not be treated as an offshore fund solely because trustees resident in the European Economic Area are providing their services through a branch in Ireland.

Capital taxes

Probate

The Bill proposes an amendment to the Capital Acquisitions Tax Act 2003 to place a statutory obligation on banks to provide information in relation to a deceased person's accounts to the person applying for probate or to an agent acting on their behalf.

Incorrect birth registration: Succession rights

A number of amendments were made to the Capital Acquisitions Tax Consolidation Act 2003 to take account of recent amendments to the Succession Act 1965 that provide that a person affected by an incorrect birth registration will now have succession rights in relation to their 'social parents', in addition to their existing succession rights in relation to their birth parents. Social parents refer to the individuals that were incorrectly included on the individuals' birth registration.

Miscellaneous and Tax Administration

Tax treaties

Once enacted, the Bill will complete the ratification process for revisions to the existing double taxation agreements with Guernsey and the Isle of Man which will incorporate certain anti-BEPS measures.

Reporting by platform operators

'DAC 7' provides for the introduction of automatic reporting obligations for online 'platform operators' with effect from 1 January 2023. Platform operators connect users digitally in order to sell goods or provide services. Finance Act 2021 transposed this platform operator aspect of DAC 7 into Irish law. That provision, which never came into operation, has been recast in Finance Bill 2022. One notable measure for more effective implementation is a requirement of platform operators to withhold payments for up to 24 months where the requisite information from reportable sellers has not yet been received. The Bill also empowers authorised Revenue officers to examine certain mechanisms, procedures, documents and information obtained for anti-money laundering purposes.

The Bill also facilitates the transposition of OECD Model Rules for reporting by digital platform operators. These are similar in most respect to the DAC 7 rules and will extend reporting to non-EU platform operators operating in Ireland subject to a Ministerial commencement order.

It is proposed that the non-platform operators elements of DAC 7 will be introduced to the Bill at Committee Stage next month.

Tax appeals

The Bill proposes two amendments in respect of appeals against determinations of the Tax Appeals Commissioners (TAC). Firstly, the period by which a party dissatisfied, on a point of law, with a determination of the TAC may request the TAC to state and sign a case for the opinion of the High Court will be extended by 21 days to 42 days. Secondly, where a request for a case stated has been lodged, the period by which the parties to the appeal may make representations in relation to the draft case stated prepared by TAC and furnished to them (within three months of the request) will be extended by 21 days to 42 days.

Implementing MAP agreements

The Bill includes provision to disapply normal time-limits to allow the Revenue Commissioners amend assessments to give effect to a bilateral Mutual Assistance Procedures (MAP) adjustment reached with a Tax Treaty partner jurisdiction of Ireland. When enacted, this should allow impacted taxpayers adjust loss claims, group relief claims or similar reliefs in MAP cases outside the normal time limits imposed for such claims.

Excise duty tax geared penalties

The Bill aligns the application of tax geared penalties in respect of certain Excise defaults with the rules applying to other taxes following Finance Act 2021. This includes the non-application of penalties where the tax adjustment is attributable to an innocent error, is a technical adjustment or where the total tax default arising from careless behaviour is less than €6,000. The provision will apply in respect of disclosures or defaults made after the enactment of Finance Bill 2022.

What's next?

The next stage of the process at which amendments may be tabled is the Select Committee Stage, which is expected to commence on 10 November next. Tax Alerts on selected measures may issue over the coming weeks as the Finance Bill progresses towards enactment. It is expected that this Finance Bill will be enacted by the end of 2022.

2023 Rates at a glance

Income tax rates	
Standard	20%
Marginal	40%
Standard rate bands	
Single (2022: €36,800)	€40,000
Married/civil partnership (two income) (2022: €73,600)	€80,000
Married/civil partnership (one income) (2022: €45,800)	€49,000
Single parent (2022: €40,800)	€44,000
Income tax credits	
Single (2022: €1,700)	€1,775
Married (2022: €3,400)	€3,550
Single person child carer tax credit (primary carer only)	€1,650
PAYE (2022: €1,700)	€1,775
Earned income credit (2022: €1,700)	€1,775
Age credit - single (married x2)	€245
Medical insurance relief max premium - adult/child	€1,000/€500
Home carer credit (2022: €1,600)	€1,700
Dependent tax credit	€245
Rent credit - new - effective from 2022 (married x2)	€500
Income tax age exemption	
Single and widowed	€18,000
Married (either spouse aged 65 or over)	€36,000
Rent-a-room relief	**€14,000**
Preferential loan specified rates – benefit-in-kind	
Qualifying home loans	4%
All other loans	13.5%
Electric vehicles - benefit in kind	
(exemption capped at €35,000 of OMV, applies on tapered basis to 2025)	0%

Small benefit exemption	
Non-cash vouchers (2021: €500 single) Effective for 2022 *(2 vouchers may be provided annually, up to max. annual total of €1,000)*	€1,000
Universal Social Charge	
Earnings	
*0 to €12,012**	*0.5%*
€12,013 to €22,920 (2022: €12,013 to €21,295)	*2%*
*€22,921 to €70,044** (2022: €21,296 to €70,044)*	*4.5%*
€70,045 to €100,000	*8%*
PAYE income > €100,000	*8%*
Self-employed income > €100,000	*11%*
** Exempt if income < €13,000* *** Reduced rate 2% for persons holding medical card and/or aged 70, where income < €60,000*	
PRSI rates	
Employer	
Standard rate	*11.05%*
Lower rate	*8.8%*
Weekly lower rate limit	*€410*
Employee	
PRSI	4%
Weekly PRSI threshold (tapering relief available)	€352
Self-employed	
PRSI	4%
Minimum contribution	€500
Pensions	
Annual earnings cap	€115,000
Marginal rate deduction	40%
Tax free lump sum limit	€200,000
Standard fund threshold	€2,000,000
DIRT	
Deposit accounts	33%
Investment funds	41%

Capital gains tax	
Standard rate	33%
Withholding tax rate	15%
Annual exemption	€1,270
Entrepreneur relief (up to €1m chargeable gains)	10%
Capital acquisitions tax	
Standard rate	33%
Thresholds	
Group A	€335,000
Group B	€32,500
Group C	€16,250
Stamp duty	
Residential property	
First €1m	1%
Excess over €1m	2%
Bulk/cumulative purchases of 10 or more residential units in a 12-month period	10%
Non-residential property	7.5%
Local Property Tax (residential property only)	
Band 1: 0 - 200,000	€90
Band 2: 200,001 – 262,500	€225
Band 3: 262,501- 350,000	€315
Bands 4-19: 350,001 - 1,750,000	Range from €405- €2,721
Value > €1,750,000 (calculated on valuation of property)	
First €1,050,000	0.1029%
Next €700,000	0.25%
Balance ** Local Authorities can adjust annually +/- 15% basic LPT rate*	0.30%

Corporation tax rates	
Standard rate	12.5%
Higher rate on passive income	25%
Knowledge Development Box rate* ** Proposal to increase to 10%, subject to Ministerial Commencement Order*	6.5%
Exit tax* ** Applies to unrealised capital gains where companies migrate/transfer assets offshore such that they leave the scope of Irish tax*	12.5%
VAT rates and limits	
Standard rate	23%
Reduced rate	13.5%
Reduced rate (certain goods and services, extended to hospitality and tourism sector to 28 February 2023)	9%
Reduced rate (supply of gas and electricity to 28 February 2023)	9%
Farmer's flat rate (2022: 5.5%)	5%
Distance selling limit	€35,000
Registration limit - taxable goods	€75,000
Registration limit - taxable services	€37,500
Cash receipts basis limit	€2,000,000
Dividend Withholding Tax	**25%**
Carbon taxes	
Per tonne/CO2 (2022: €41) To be increased incrementally each year to €100 per tonne/ CO2 by 2030 ** Auto fuels w.e.f 12 October 2022* ** All other fuels w.e.f 1 May 2023*	€48.50

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