

BUDGET SUMMARY 2010

INCOME TAX

The following are details of the Budget Statement of 9 December 2009, as made by the Minister for Finance.

The tables below outline the position for 2010.

Tax Credits

Tax Credit	2009 €	2010 €
Single Person	1,830	No change
Married Person	3,660	No change
PAYE Credit	1,830	No change
Widowed Person (without dependant children)	2,430	No change
One Parent Family Credit	1,830	No change
Incapacitated Child Credit Max	3,660	No change
Blind Tax Credit		
Single Person	1,830	No change
One Spouse Blind	1,830	
Both Spouses Blind	3,660	
Widowed Parent Bereaved in 2009	-	No change
2008	4,000	
2007	3,500	
2006	3,000	
2005	2,500	
2004	2,000	
Age Tax Credit		
Single/Widowed	325	No change
Married	650	
Dependent Relative	80	No change
Home Carer	900	No change

Marginal Rate Reliefs

Relief (Allowed at the taxpayer's top rate of tax)	2009 € Max	2010 € Max
Employing a Carer	50,000	No change

Standard Rated Reliefs

(Allowed at 20% rate band)

Rent Tax Relief	2009 € Max	2010 € Max
Single - under 55	2,000	No change
Married/Widowed - under 55	4,000	
Single - 55 & over	4,000	
Married/Widowed - 55 & over	8,000	

Trade Union Subscriptions	350	No change
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Service Charges

Relief on service charges remains unchanged. A maximum of €400 tax relief is granted (at 20% tax rate) in 2010 for service charges paid in the year 2009.

Rent-a-Room Scheme

The limit of the exemption from income tax, which applies to rent, received, where a person rents out a room or rooms in his or her principal private residence, remains unchanged at €10,000.

Tax Rates and Tax Bands.

The tax rates remain unchanged at 20% (standard rate) and 41% (higher rate).

The table below sets out the tax rates and bands.

Personal Circumstances	2009 €	2010 €
Single/Widowed without dependant children	36,400 @ 20% Balance @ 41%	36,400 @ 20% Balance @ 41%
Single/Widowed qualifying for One Parent Family Tax Credit	40,400 @ 20% Balance @ 41%	40,400 @ 20% Balance @ 41%
Married Couple one spouse with Income	45,400 @ 20% Balance @ 41%	45,400 @ 20% Balance @ 41%
Married Couple both spouses with Income	45,400 @ 20% with increase of 27,400 max. Balance @ 41%	45,400 @ 20% with increase of 27,400 max. Balance @ 41%

Exemption Limits

There is no change to the exemption limits for persons aged 65 years and over:

Personal Circumstances	2009 €	2010 €
Single/Widowed 65 years of age & over	20,000	20,000
Married Couple 65 years of age & over	40,000	40,000

Marginal Relief will continue to apply where income does not greatly exceed 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.

Health Expenses Relief

Health expenses relief is granted at the standard rate for expenses incurred from 1 January 2009 with the exception of nursing home expenses, which continue to be relieved at the marginal rate.

INCOME LEVY

The rates and thresholds of the Income Levy remain unchanged.

Applicable from 1 January 2010

Income Levy Thresholds	
	Rate
Income up to €75,036	2%
Income from €75,037 to €174,980	4%
Income above €174,980	6%

Relief from Income Levy for certain Farm expenditure

Relief from the income levy will be allowed in respect of certain expenditure incurred by farmers to comply with the requirements of the EU Nitrates Directive 91/676/EEC.

Tax Relief at Source – Mortgage Interest Relief

Qualifying loans taken out before 1 July 2011 will continue to get relief for 7 years. Transitional measures will be provided for qualifying loans taken out between 1 July 2011 and the end of 2013.

Those whose entitlement to relief would, in the absence of this change, expire in 2010 or after, will continue to qualify for relief at the applicable rate up until the end of 2017.

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

Details will be provided in the Finance Bill.

VAT

Decrease in the standard rate

The standard rate of VAT will be decreased from 21.5% to 21% with effect from 1 January 2010. This decrease will apply to all goods and services, which are currently subject to VAT at 21.5%.

Margin scheme goods

With effect from 1 January 2010 the margin scheme for second-hand goods will apply to the supply by taxable dealers of second-hand means of transport and second-hand agricultural machinery purchased or acquired in 2010, rather than the special schemes that currently apply.

In the period from 1 January 2010 to 30 June 2010 transitional measures will be available to taxable dealers in relation to input credit on means of transport and agricultural machinery purchased or acquired on or after 1 January 2010. These transitional measures mean that taxable dealers will be entitled to limited VAT relief on the purchase of these second-hand means of transport or agricultural machinery at a reducing scale of 40% in the period January/February 2010, 30% in the period March/April, and 20% in the period May/June, so as to assist their cash flow position. From 1 July 2010 the new scheme will operate as normal and no VAT input on second-hand means of transport or agricultural machinery will apply from that date.

CORPORATION TAX

Start-up Companies

The 3 year corporate and capital exemption scheme for start-up companies, introduced in 2009, has been extended to new start-up companies in 2010.

CAPITAL GAINS TAX

There were no changes announced in the Budget.

CAPITAL ACQUISITIONS TAX

There were no changes announced in the Budget.

EXCISES

Alteration in Rates of Mineral Oil Tax

From 10th December additional carbon charges, of €34.38 per 1,000 litres and €39.98 per 1,000 litres, are added to the rates of mineral oil tax for petrol and auto diesel respectively.

Tobacco Excise

There are no changes to tobacco excise.

Alcohol Excise

Excise duties on all alcohol products are being reduced with effect from midnight on 9 December 2009. The reductions, when VAT is included, amount to:

- 12 cent on a pint of standard beer and cider
- 8 cent on a 33cl bottle of beer (4.7% alcohol content)
- 60 cent on a standard 75cl bottle of wine
- 14 cent on a standard measure of spirits
- €2.76 on a standard 70cl bottle of spirits (40% alcohol content).

Pro-rata reductions are being applied to other alcohol products.

CAPITAL ALLOWANCES

The scheme of accelerated capital allowances for energy-efficient equipment for companies has been enhanced to include 3 new categories of equipment.

VRT SCRAPPAGE SCHEME

The budget provides for a scrappage scheme that will run from 1 January 2010 to 31 December 2010. This scheme provides for VRT relief of up to €1,500 on registration of a new passenger car with CO₂ emissions of not more than 140g/km when another passenger car, more than 10 years old, is scrapped. The old car, which must have been registered for at least the previous 18 months in the name of the person registering the new car, must be scrapped at an Authorised Treatment Facility and a Certificate of Destruction issued. Other conditions relating to the scheme are available on the Revenue website.

STAMP DUTY

There were no changes announced in the Budget.

PRSI

There were no changes announced in the Budget.