

FTX IRL
TAX REFERENCE MATERIAL – JUNE AND DECEMBER 2012

The following rates, credits, formulae and allowances are based on the Finance Acts 2011 and are to be used for all questions in this paper.

Income tax rates

	<i>Tax</i> €
<i>Single/Widow(er)/Surviving civil partner</i>	
€2,800 at 20%	6,560
Balance at 41%	
<i>Married or in a civil partnership (one income)</i>	
€1,800 at 20%	8,360
Balance at 41%	
<i>Married or in a civil partnership (dual income)</i>	
€1,800 at 20%	8,360
€2,800 at 20%	4,760
Balance at 41%	
<i>One parent family</i>	
€6,800 at 20%	7,360
Balance at 41%	

Tax credits

	€
Single person's credit	1,650
Married couple/civil partner's credit	3,300
Widowed person/surviving civil partner	
-in year of bereavement	3,300
-without dependent children	2,190
-with dependent children	1,650
Widowed person/surviving civil partner with dependent children	
-first year after bereavement	3,600
-second year after bereavement	3,150
-third year after bereavement	2,700
-fourth year after bereavement	2,250
-fifth year after bereavement	1,800
Home carer credit (maximum)	810
Single parent credit	1,650
Incapacitated child credit	3,300

Dependent relative credit		70
Age credit – single/widowed		245
– married or in civil partnership		490
Employee/PAYE credit		1,650
Rent allowance credit		
	Rent limit	
– single aged under 55	€1,600	320
– married/widowed/in a civil partnership/survivor of a civil partnership aged under 55	€3,200	640
– single aged 55 and over	€3,200	640
– married/widowed/in civil partnership/survivor of a civil partnership aged 55 and over	€6,400	1,280
Service charge credit (maximum)	Upper limit €400	80
Third level tuition fees	Upper limit €7,000	

**Rates of PRSI/levies
Self-employed**

PRSI

Rate 4%
Where income is above €5,000 the rate is 4% of reckonable earnings or €253 whichever is greater

No PRSI where income is below €5,000 per annum

**Rates of PRSI/levies
Employee – Class A1**

PRSI

Rate 4%

The first €127 per week (non-cumulative) is exempt from PRSI

Note: No upper limit for employee's contribution

**Rates of PRSI/levies
Employer (for employees – Class A1)**

PRSI

Rate 10.75%

Note: No upper limit for employer's contribution

Universal social charge for all taxpayers

On the first €10,036	2%
On the next €5,980	4%
On the balance	7%

For individuals a surcharge of 3% applies in respect of income from self-employment that exceeds €100,000 per annum, regardless of age.

For individuals aged 70 and over the maximum rate is 4%

Exemptions:

- Individuals where income does not exceed €4,004 per annum
- All social welfare payments and income subject to DIRT

Retirement annuities

Age	Percentage of net relevant earnings
Up to 30 years	15%
30 years but less than 40 years	20%
40 years but less than 50 years	25%
50 years but less than 55 years	30%
55 years but less than 60 years	35%
60 years and over	40%

Cap on earnings of €15,000

Corporation tax

Standard rate	12.5%
Higher rate	25%

Value added tax

Rates:

Standard rate	21%
Lower rate	13.5%
Additional lower rate from 1 July 2011	9.0%
Flat rate for farmers	5.2%

Capital gains tax

Rate	25%
Annual exemption	€1,270

Writing down and wear and tear allowances

Type of expenditure	Date incurred	Writing down allowance	Tax life (where relevant)
Plant and machinery	From 4 December 2002	12.5%	
Motor vehicles	From 4 December 2002	12.5%	
Industrial buildings	From 1 April 1992	4%	25 years
Farm buildings	From 27 January 1994	15% for six years and 10% in year seven	10 years
Hotels	From 3 December 1994 to 3 December 2002	15% for six years and 10% in year seven	7 years
	From 4 December 2002	4%	25 years
Nursing homes and private hospitals	From 3 December 1997 to 31 July 2006	15% for six years and 10% in year seven	10 years
	From 1 August 2006	15% for six years and 10% in year seven	15 years
Childcare facilities	From 2 December to 31 July 2006	15% for six years and 10% in year seven	10 years
	From 1 August 2006	15% for six years and 10% in year seven	15 years

Motor cars - limits on capital costs

€

For cars purchased between 1 July 2007 and 30 June 2008

Capital allowances	24,000
Leasing charges	24,000
Running cost	No limit

For cars purchased on or after 1 July 2008

Capital allowances and leasing charges are based on the carbon dioxide emissions category of the car. The specified limit is €24,000.

Carbon emissions table:

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

Category A, B and C vehicles – capital allowances are based on the specified amount of €24,000 regardless of the cost of the car.

Category D/E vehicles, capital allowances are based on 50% of either €24,000 or the cost of the car, whichever is lower.

Category F/G vehicles do not qualify for capital allowances.

Benefits in kind

Motor cars

<i>Business travel lower limit Kilometres</i>	<i>Business travel upper limit Kilometres</i>	<i>Percentage of original market value of car %</i>
0	24,000	30
24,001	32,000	24
32,001	40,000	18
40,001	48,000	12
48,001	Upwards	6

Note: the above table is to be applied to all categories as the new legislation is not examinable in 2012.

Preferential loan rates

Loans used to fund the cost/repair of the employee's principal private residence	5%
All other loans	12.5%

Indexation factors for capital gains tax

<i>Year expenditure incurred</i>	<i>Multipliers for disposals in the year ending 31 December 2004 et seq.</i>
1974-75	7.528
1975-76	6.080
1976-77	5.238
1977-78	4.490
1978-79	4.148
1979-80	3.742
1980-81	3.240
1981-82	2.678
1982-83	2.253
1983-84	2.003
1984-85	1.819
1985-86	1.713
1986-87	1.637
1987-88	1.583

<i>1988-89</i>	1.553
<i>1989-90</i>	1.503
<i>1990-91</i>	1.442
<i>1991-92</i>	1.406
<i>1992-93</i>	1.356
<i>1993-94</i>	1.331
<i>1994-95</i>	1.309
<i>1995-96</i>	1.277
<i>1996-97</i>	1.251
<i>1997-98</i>	1.232
<i>1998-99</i>	1.212
<i>1999-2000</i>	1.193
<i>2000-2001</i>	1.144
<i>2001</i>	1.087
<i>2002</i>	1.049
<i>2003 et seq</i>	1.000