

P6 IRL

TAX REFERENCE MATERIAL – JUNE AND DECEMBER 2015

The following rates, credits, formulae and allowances are based on the Finance (No.2) Act 2013 and are to be used for all questions in this paper.

Income tax rates

	<i>Tax</i> €
<i>Single/widow(er)/surviving civil partner without qualifying children</i>	
€32,800 at 20%	6,560
Balance at 41%	
<i>Married or in a civil partnership (one income)</i>	
€41,800 at 20%	8,360
Balance at 41%	
<i>Married or in a civil partnership (dual income)</i>	
€41,800 at 20%	8,360
€23,800 at 20%	4,760
Balance at 41%	
<i>Single/widow(er)/surviving civil partner qualifying for single person child carer credit</i>	
€36,800 at 20%	7,360
Balance at 41%	

Tax credits

	€
Single person's credit	1,650
Married person's/civil partner's credit	3,300
Widowed person or surviving civil partner's credit (without dependent children)	2,190
Home carer credit (maximum)	810
Single person child carer credit	1,650
Incapacitated child credit	3,300
Dependent relative credit	70
Age credit – single/widowed/surviving civil partner	245
– married or in a civil partnership	490
Employee/PAYE credit	1,650

Third level tuition fees	Upper limit €7,000
Full-time qualifying courses	First €2,750 is ignored
Part time qualifying courses	First €1,375 is ignored

Rates of PRSI Self-employed

Rate	4%
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Where income is above €5,000 the rate is 4% of reckonable earnings or €500, whichever is greater

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

Rates of PRSI Employee – Class A1

Rate	4%
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No PRSI on earnings of €352 or less per week

Rates of PRSI Employer (for employees – Class A1)

Rate	10.75%
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Universal social charge (USC) 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 relevant (non-PAYE) income that exceeds €100,000 per annum regardless of age.

For individuals aged 70 and over, and individuals who hold a medical card regardless of age, the maximum rate is 4% on income up to €60,000, and 7% on income over €60,000.

Exemptions:

- Individuals whose income does not exceed €10,036 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 net relevant earnings of €115,000

Corporation tax

Standard rate	12.5%
Higher rate	25%

Value added tax (VAT)

Registration limits	
Turnover from the supply of goods	€75,000
Turnover from the supply of services	€37,500
Rates:	
Standard rate	23%
Lower rate	13.5%
Additional lower rate	9%

Capital gains tax

Rates:

From 6 December 2012 to date	33%
From 7 December 2011 to 5 December 2012	30%
From 8 April 2009 to 6 December 2011	25%
From 15 October 2008 to 7 April 2009	22%
From 1 December 1999 to 14 October 2008	20%

Annual exemption €1,270

Motor cars - limits on capital costs

€

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/C vehicles – capital allowances/leasing charges are based on the specified amount of €24,000 regardless of the cost of the car.

Category D/E vehicles - capital allowances/leasing charges 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/leasing charges.

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%

Preferential loan rates

Loans used to fund the cost/repair of the employee's principal private residence	4%
All other loans	13.5%

Local property tax
Tax bands for valuation purposes

€

0 - 100,000
100,001 - 150,000
150,001 - 200,000
200,001 - 250,000
250,001 - 300,000
300,001 - 350,000
350,001 - 400,000
400,001 - 450,000
450,001 - 500,000
500,001 - 550,000
550,001 - 600,000
600,001 - 650,000
650,001 - 700,000
700,001 - 750,000
750,001 - 800,000
800,001 - 850,000
850,001 - 900,000
900,001 - 950,000
950,001 - 1,000,000

Properties worth up to and including a value of €1 million will be assessed at a rate of 0.18%.

Properties worth more than €1 million will be assessed on the actual value at 0.18% on the first €1 million and 0.25% of their actual value on the portion above €1 million.

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>
<i>1974-75</i>	7.528
<i>1975-76</i>	6.080
<i>1976-77</i>	5.238
<i>1977-78</i>	4.490
<i>1978-79</i>	4.148
<i>1979-80</i>	3.742
<i>1980-81</i>	3.240
<i>1981-82</i>	2.678
<i>1982-83</i>	2.253
<i>1983-84</i>	2.003
<i>1984-85</i>	1.819
<i>1985-86</i>	1.713
<i>1986-87</i>	1.637
<i>1987-88</i>	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

Capital acquisitions tax

Class thresholds 2014

	€
Class 1: Child or minor child of deceased child (or inheritance taken by parent):	225,000
Class 2: Lineal ancestor (other than inheritance taken by parent) Lineal descendant (other than a child or a minor child of a deceased child) Brother, sister, child of brother or sister	30,150
Class 3: Any other person	15,075
Rate	33%

Life interest tables for capital acquisitions tax

Years of age	Joint factor	Value of an interest in a capital of €1 for a male life aged as in column 1	Value of an interest in a capital of €1 for a female life aged as in column 1	Years of age	Joint factor	Value of an interest in a capital of €1 for a male life aged as in column 1	Value of an interest in a capital of €1 for a female life aged as in column 1
0	.99	.9519	.9624	50	.92	.7287	.7791
1	.99	.9767	.9817	51	.91	.7156	.7683
2	.99	.9767	.9819	52	.90	.7024	.7572
3	.99	.9762	.9817	53	.89	.6887	.7456
4	.99	.9753	.9811	54	.89	.6745	.7335
5	.99	.9742	.9805	55	.88	.6598	.7206
6	.99	.9730	.9797	56	.88	.6445	.7069
7	.99	.9717	.9787	57	.88	.6288	.6926
8	.99	.9703	.9777	58	.87	.6129	.6778
9	.99	.9688	.9765	59	.86	.5969	.6628
10	.99	.9671	.9753	60	.86	.5809	.6475
11	.98	.9653	.9740	61	.86	.5650	.6320
12	.98	.9634	.9726	62	.86	.5492	.6162
13	.98	.9614	.9710	63	.85	.5332	.6000
14	.98	.9592	.9693	64	.85	.5171	.5830
15	.98	.9569	.9676	65	.85	.5007	.5650
16	.98	.9546	.9657	66	.85	.4841	.5462
17	.98	.9522	.9638	67	.84	.4673	.5266
18	.98	.9497	.9617	68	.84	.4506	.5070
19	.98	.9471	.9596	69	.84	.4339	.4873
20	.97	.9444	.9572	70	.83	.4173	.4679
21	.97	.9416	.9547	71	.83	.4009	.4488
22	.97	.9387	.9521	72	.82	.3846	.4301
23	.97	.9356	.9493	73	.82	.3683	.4114
24	.97	.9323	.9464	74	.81	.3519	.3928
25	.97	.9288	.9432	75	.80	.3352	.3743
26	.97	.9250	.9399	76	.79	.3181	.3559
27	.97	.9209	.9364	77	.78	.3009	.3377
28	.97	.9165	.9328	78	.76	.2838	.3198
29	.97	.9119	.9289	79	.74	.2671	.3023
30	.96	.9068	.9248	80	.72	.2509	.2855
31	.96	.9015	.9205	81	.71	.2353	.2693
32	.96	.8958	.9159	82	.70	.2203	.2538
33	.96	.8899	.9111	83	.69	.2057	.2387

34	.96	.8836	.9059	84	.68	.1916	.2242
35	.96	.8770	.9005	85	.67	.1783	.2104
36	.96	.8699	.8947	86	.66	.1657	.1973
37	.96	.8626	.8886	87	.65	.1537	.1849
38	.95	.8549	.8821	88	.64	.1423	.1730
39	.95	.8469	.8753	89	.62	.1315	.1616
40	.95	.8384	.8683	90	.60	.1212	.1509
41	.95	.8296	.8610	91	.58	.1116	.1407
42	.95	.8204	.8534	92	.56	.1025	.1310
43	.95	.8107	.8454	93	.54	.0939	.1218
44	.94	.8005	.8370	94	.52	.0858	.1132
45	.94	.7897	.8283	95	.50	.0781	.1050
46	.94	.7783	.8192	96	.49	.0710	.0972
47	.94	.7663	.8096	97	.48	.0642	.0898
48	.93	.7541	.7997	98	.47	.0578	.0828
49	.93	.7415	.7896	99	.45	.0517	.0762
				100 or over	.43	.0458	.0698

Interest for a period certain

This table is used to determine a figure on the value of an interest in property for a period certain.

Number of years	Value	Number of years	Value
1	.0654	26	.8263
2	.1265	27	.8375
3	.1836	28	.8480
4	.2370	29	.8578
5	.2869	30	.8669
6	.3335	31	.8754
7	.3770	32	.8834
8	.4177	33	.8908
9	.4557	34	.8978
10	.4913	35	.9043
11	.5245	36	.9100
12	.5555	37	.9165
13	.5845	38	.9230
14	.6116	39	.9295
15	.6369	40	.9360
16	.6605	41	.9425
17	.6826	42	.9490
18	.7032	43	.9555
19	.7225	44	.9620
20	.7405	45	.9685
21	.7574	46	.9750
22	.7731	47	.9815
23	.7878	48	.9880
24	.8015	49	.9945
25	.8144	50 and over	1.0000

Stamp duty	Rate
Non residential property (regardless of value)	2%
Residential property: Owner occupiers and investors	
First €1,000,000	1%
Excess over €1,000,000	2%

N.B Where applicable value added tax (VAT) should be excluded from the chargeable consideration.

Stocks and marketable securities

Where the aggregate consideration is less than €1,000	0%
Where the aggregate consideration exceeds €1,000	1%

Revenue audits

Schedule of tax geared penalties

Category of tax default	Penalty as a % of tax underpaid	Net penalty after reduction where there is:		
		Cooperation only	Cooperation AND a prompted qualifying disclosure	Cooperation AND an unprompted qualifying disclosure
Deliberate behaviour	100%	75%	50%	10%
Careless behaviour with significant consequences	40%	30%	20%	5%
Other careless behaviour	20%	15%	10%	3%

Note: The mitigation (reduction) of penalties in the above table is available to taxpayers on their first default. In the case of a second or third default, if a taxpayer deliberately or carelessly makes incorrect returns within a five year period of the first default they may not avail of full mitigation.