

## TAX RATES AND ALLOWANCES

The following rates, credits, formulae and allowances are based on the Finance Act 2008 and are to be used for all questions in this paper.

<b>Rates of income tax 2008</b>	
	<i>Tax</i> €
<i>Single/Widow(er)</i>	
€35,400 at 20%, Balance at 41%	7,080
<i>Married couple (one income)</i>	
€14,400 at 20% Balance at 41%	8,880
<i>Married couple (dual income)</i>	
€70,800 at 20%, Balance at 41%	14,160
<i>One parent family</i>	
€39,400 at 20% Balance at 41%	7,880

### **Abbreviated list of personal tax credits for the income tax year 2008**

	€
Single person's credit	1,830
Married couple's credit	3,660
Widowed person's credit (without dependent children)	2,430
Home carer credit (maximum)	900
Single parent credit	1,830
Dependent relative credit	80
Age credit - single/widowed	325
- married	650
Employee/PAYE credit	1,830

### **Rates of PRSI/levies 2008 Self-employed**

#### **PRSI**

Rate	3%
Minimum contribution where income is below €6,000	€253

No PRSI where income is below €3,174 per annum

#### **Health contribution**

Lower exemption limit (€500 per week)	€6,000
Rate: First €1,925 per week (€100,100 per annum)	2%
Balance	2.5%

Note: No upper limit for PRSI or health contribution

**Rates of PRSI/levies 2008  
Employee - Class A1**

**PRSI**

Upper limit	€0,700
Rate	4%

The first €127 per week (non-cumulative) is exempt from PRSI  
No PRSI on income up to €8,304 per annum (€352 per week)

**Health contribution**

Lower exemption limit (€500 per week)	€6,000
Rate: First €1,925 per week (€100,100 per annum)	2%
Balance	2.5%

Note: No upper limit for health contribution

**Rates of PRSI/levies 2008  
Employer (for employees - Class A1)**

**PRSI**

Rate	10.75%
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For salaries less than €18,980 (€365 per week) the rate is 8.5% per annum

Note: No upper limit for employer's contribution

## Retirement annuities

<i>net Age earnings</i>	<i>Percentage of relevant</i>
	%
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 €62,382

## Corporation tax

Standard rate	12 <sup>1</sup> / <sub>2</sub> %
Higher rate	25%
Manufacturing rate	10%

## Capital gains tax

Rate	20%
Annual exemption	€1,270

## Rural/Urban renewal allowances

### Industrial and commercial buildings

#### Owner occupier

	%
Free depreciation or Initial allowance	50
Annual allowance Maximum	4 100

#### Lessor

Initial allowance	50
Annual allowance Maximum	4 100

## Residential property

### Owner occupier

Construction	5% per annum (10 years)
Refurbishment	10% per annum (10 years)

### Lessor (Section 23 relief)

Construction	100%
Conversion	100%
Refurbishment	100%

## 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 are based on the carbon dioxide emissions category of the car.

Carbon Emissions Table:

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

## Motor cars – benefit-in-kind rates

<i>Lower limit business miles</i>	<i>Upper limit business miles</i>	<i>Percentage of original market value of car %</i>
Up to	15,000	30
15,001	20,000	24
20,001	25,000	18
25,001	30,000	12
30,001	upwards	6

## 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 - 2008

<b>Class threshold</b>	€
<b>Class 1:</b> Child or minor child of deceased child (or inheritance taken by parent):	521,208
<b>Class 2:</b> 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	52,121
<b>Class 3:</b> Any other person	26,060
 Rate	 20%

### Rates of stamp duty

#### Non residential property

<b>Value</b>	<b>Rate</b>
	%
Up to €10,000	0
€10,001 - €20,000	1
€20,001 - €30,000	2
€30,001 - €40,000	3
€40,001 - €70,000	4
€70,001 - €80,000	5
€80,001 - €100,000	6
€100,001 - €120,000	7
€120,001 - €150,000	8
Over €150,000	9

#### Residential property

##### Owner occupiers and investors

<b>Value</b>	<b>Rate</b>
	%
First €127,000	0
Next €875,000	7
Excess over €1,000,000	9

First time buyers who are owner occupiers of new or second hand residential property are exempt.

**N.B** Where applicable VAT should be excluded from the chargeable consideration.

**Stocks and marketable securities** 1%