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Budget 2017

BUDGET 2017 – GENERAL COMMENT

The first Budget of the current Government was announced today, 11th October 2016, by the Ministers for Finance, Mr Michael Noonan, and Public Expenditure & Reform, Mr Paschal Donohoe.

This Budget is introduced against the backdrop of continued steady economic growth, and with the Government in a position to report more solid and stable public finances than has been the case since the global financial crisis almost a decade ago. Some figures highlighting this position include;

- GDP for 2016 is forecasted to settle at 4.2% for this year, (which it can be noted is very close to the 4.3% forecast for 2016 that was made at this time last year),
- The Department of Finance GDP forecast for 2017 is 3.5%,
- Projected 2016 budgetary deficit is 0.9% of GDP, with a forecasted 2017 deficit of 0.4% of GDP

In spite of the above, it would appear that a cautious approach has been taken with Budget 2017, which may have been informed to some degree by the process through which a consensus approval of the Budget must be secured by the current minority Government from Independent TDs and from the main opposition party.

Both Ministers devoted a portion of their speeches to discussion of "Brexit", and the effects it is expected to have on the Irish economy. Despite extensive discussion of the risks that the planned UK departure from the EU brings, (particularly for indigenous exporters for whom 40% of their trade is with the UK), both Ministers failed to announce any specific new measures to deal with same.

Minister Noonan announced an intention to create a Contingency Fund in future years, and to bring public finances to a position where the national debt is reduced to a level where it is lower than the 60% of GDP commitment that was made under the EU Stability & Growth Pact – he announced that a target level of 45% of GDP will be the Government's aspiration, to be achieved by the mid-2020s.

The tax measures announced are not expected to result in a very significant change to the tax liabilities arising for most taxpayers. By far the most substantial measure in terms of Budgetary impact is a 0.5% reduction in the three lower USC rates, resulting in a lower liability applying to the first €70,045 of income. This amendment will result in a maximum benefit of €350 per taxpayer.

The most noteworthy new taxation measure introduced was undoubtedly the "Help to Buy" scheme providing an Income Tax rebate to certain first time buyers. Prospective buyers may be disappointed to find that this relief will only apply to new builds. As such, the relief may have the unintended effect of inflating the price of newly built homes.

Some extensions and additions to existing tax reliefs were announced, with perhaps the most significant of these being a reduction from 20% to 10% in the Capital Gains Tax rate applying to the sale of a business that qualifies for the CGT Entrepreneur Relief. The new 10% rate will match the tax rate available under the corresponding UK CGT relief, although the cap on sale proceeds of €1m remains unchanged, (the UK cap is STG£10m). This cap will remain under review by the Minister.

One item that appears to have been overlooked once again is the 3% additional marginal tax rate that applies to self employed persons' income in excess of €100k. This inequity exists in addition to the additional €700 of annual tax credits that will be available to employees in 2017.

Many recipients of Social Welfare payments will be delighted that in 2017 they will enjoy the first non-pension increase since 2009. In addition, a potentially substantial means tested childcare subsidy has been introduced, targeted at lower income households.

Overall, the Budget appears to be a broadly positive one. It has been prepared based on robust current and forecast economic growth figures, with public finances also reporting performance close to projected levels. The Budget includes little by way of new stimulus measures, as it appears a decision has been made to maintain the status quo in an economy that is performing well, rather than to risk "rocking the boat" in any significant fashion.

TABLE OF CONTENTS

INCOME TAX & LEVIES 4
BUSINESS TAX CHANGES 6
FARMING 7
CAPITAL GAINS TAX 8
CAPITAL ACQUISITIONS TAX 8
INDIRECT TAXATION 9
SOCIAL WELFARE BENEFITS 10
OTHER PRINCIPAL MEASURES 12
APPENDIX A – CHANGES IN NET INCOME 15
APPENDIX B – INCOME TAX CREDITS 16
APPENDIX C – UNIVERSAL SOCIAL CHARGE & PRSI 16
APPENDIX D – INCOME TAX RATES AND BANDS 17

N.B. This summary is intended for client information only. The contents are of a general nature and should not be used as a basis for making decisions. Specific advice should be sought from Conor Dillon, Liam Farrell, Brian Little, Liam Murphy or Rosaleen Harrison.

INCOME TAX & LEVIES

EFFECTIVE DATE

TAX CREDITS, RATES, BANDS AND EXEMPTIONS:

The Standard Income Tax rate will remain at 20%, and the Marginal Income Tax rate will remain at 40%.

The cut-off point at which taxpayers' income tax rate increases from the Standard Rate to the Higher Rate, and age exemption limits have not changed from the levels at which they were for 2016.

The Earned Income Credit, introduced in 2016 for self-employed individuals and business owners who do not qualify for the existing PAYE tax credit, has been increased from €550 to €950 per annum. 01/01/2017

The Home Carer Tax Credit has been increased from €1,000 to €1,100 per annum. 01/01/2017

Loan Interest Relief for Rented Residential Property 01/01/2017

The deduction available for qualifying interest payments against rental income from a rented residential property, is being increased from 75% to 80%. This will increase by 5% each year thereafter until it reaches 100%. This measure will apply to both new and existing mortgages.

UNIVERSAL SOCIAL CHARGE, (USC): 01/01/2017

A number of changes are proposed to all USC rates and bands. The revised figures for 2017 will be as follows;

- Incomes of €13,000 or less will be exempt from the USC, otherwise;

2017 Band	2016 Band	2017 rate	2016 rate
Up to €12,012	Up to €12,012	0.5%	1%
€12,013 - €18,772	€12,013 - €18,668	2.5%	3%
€18,773 - €70,044	€18,669 - €70,044	5%	5.5%
€70,045 - €100,000	€70,045 - €100,000	8%	8%

  - PAYE Income in excess of €100,000 will remain subject to 8% USC
  - Self-employed Income in excess of €100,000 will remain subject to 11% USC
- USC for Medical Card holders with income of €60,000 or less will be capped at 2.5%
- USC for individuals over 70 years of age whose income is €60,000 or less will be capped at 2.5%

HELP TO BUY 19/07/2016

An income tax rebate incentive is being introduced to assist first time buyers of new homes. It will consist of a rebate of income tax paid over the previous four years amounting to up to 5% of the purchase price subject to a maximum level of €20,000, (i.e. a maximum purchase price of €400,000).

Where new homes are acquired for between €400,000 and €600,000 the maximum relief (i.e. €20,000) will continue to be available. Where new homes are acquired for more than €600,000, no relief will be available.

The house must be a new build and applicants must take out a mortgage of at least 80% of the purchase price. This scheme will run until the end of 2019.

Deposit Interest Retention Tax

01/01/2017

Deposit Interest Retention Tax will be decreased for all relevant savings and investment accounts by 2% each year for the next 4 years until it reaches 33%. There was no announcement made in relation to the 41% exit tax charge on investment undertakings.

Living City Initiative

01/01/2017

The Living City Initiative is being amended to encourage an increase in the take-up of the scheme. This involves extending the availability of the scheme to landlords, while for residential applicants it removes the restriction on the maximum floor size of the property, removes the requirement that the property must have been previously used as a dwelling, and reduces the minimum amount of expenditure needed to qualify.

Foreign Earnings Deduction

01/01/2017

This relief is being extended until the end of 2020 and qualifying countries are being extended to include Colombia and Pakistan. The minimum number of days for travel is being reduced from 40 days per annum to 30 days per annum.

Special Assignee Relief Programme

01/01/2017

This relief is being extended for a further 3 years until the end of 2020.

Rent a Room

01/01/2017

The ceiling for exemption from income tax for income received from the letting of a room or rooms in a person's principal private residence is being increased from €12,000 to €14,000.

Fishers Tax Credit

01/01/2017

A new tax credit is being announced for fishers to assist the viability of the fishing sector. Fishers who have fished for wild fish or wild shellfish for at least 80 days in a tax year can claim an income tax credit of €1,270 per annum. It will shelter €6,350 of income annually which equates to the seafarer's exemption.

BUSINESS TAX CHANGES

Effective Date

CORPORATION TAX

The Minister confirmed that there would be no changes to the headline Corporation Tax rates. — 01/01/2017

The rates of Corporation Tax, therefore, will remain as follows;

- 12.5% for trading income, applying to income arising from an active trade, &
- 25% for passive income, applying to investment income such as deposit interest, foreign income, rents, royalties etc.

CGT ENTREPRENEUR RELIEF

The Revised Entrepreneur Relief, announced in Budget 2016, is improved by reducing the rate of CGT applicable from 20% to 10%. There is no change to the limit of €1m for qualifying chargeable gains. — T.B.A.

HOME RENOVATIONS TAX CREDIT

The Scheme has been extended for two more years to allow for expenditure in the years ended 31st December 2017 and 31st December 2018.

START YOUR OWN BUSINESS RELIEF

The Start Your Own Business relief, first announced in Budget 2014, is extended for two years to run until the end of 2018.

ACCELERATED CAPITAL ALLOWANCES FOR INVESTMENT IN ENERGY EFFICIENT EQUIPMENT — 01/01/2017

The accelerated capital allowances for investment in energy efficient equipment which allows full relief to be claimed in year one of investment is to be extended to sole traders and non-corporates.

Farming

	Effective Date
Flat-Rate Addition	
The farmers' VAT flat rate addition for non VAT registered farmers will increase from 5.2% to 5.4%	01/01/2017
Farm restructuring relief	
The existing farm restructuring relief, a relief for Capital Gains Tax for farmers selling land in order to purchase other land for the purposes of restructuring their farm, is to be extended to 31st December 2019. The rules have not changed and the sale and purchase or exchange must be certified by Teagasc as being for farm restructuring purposes.	01/01/2017
Accelerated capital allowances for investment in energy efficient equipment	
The accelerated capital allowances for investment in energy efficient equipment which allows full relief to be claimed in year one of investment is to be extended to sole traders and non-corporates.	01/01/2017
Farmer's income averaging	
At present the Farmer's Income Averaging scheme allows farmers to average profits for Income Tax purposes over five years. This normally gives farmers a more consistent Income Tax liability each year. This is being amended to allow farmers having a particularly poor year to "step out" of income averaging and pay tax on a current year basis, any deferred tax liability will become payable in subsequent years. This can be applied to the 2016 tax year.	01/01/2016
Stock relief	
The existing stock relief extension to 31st December 2018 will remain in place with no changes.	
Stamp duty	
The exemption from Stamp Duty for young trained farmers was extended to 31st December 2018 in last year's budget and no change has been made.	

Capital Gains Tax

Effective Date

Capital Gains Tax Rates

No change was made to the standard rate of Capital Gains Tax, which remains at the current rate of 33%.

Capital Gains Tax payment dates remain unchanged; 15 December for disposals during the period 1 January to 30 November, and 31 January for disposals in the preceding December.

Capital Gains Tax Entrepreneurial Relief

T.B.A

A revised Capital Gains Tax incentive for entrepreneurs was introduced by Minister Noonan in Budget 2016. This relief is now being improved by reducing the rate of CGT from 20% to 10% on the net chargeable gains arising on the disposal, or part disposal, of a business subject to a lifetime limit of €1 million. Minister Noonan advised that the €1 million lifetime limit will be reviewed in future budgets.

The relief will be available to the individual owners of a trade or business (owners/founders of private unquoted companies, sole traders and farmers) in respect of the disposal of all or a part of that trade or business which they have owned for at least 3 years. The relief will not be available to companies in respect of business asset disposals by such entities.

Retirement Relief from Capital Gains Tax

No changes were announced to Retirement Relief.

Raised Bog Restoration Incentive Scheme

T.B.A

Payments under the new raised bog restoration incentive scheme to relevant owners and rights holders will be exempt from CGT.

Capital Acquisitions Tax

Effective Date

12/10/2016

No changes were made to the rate of Capital Acquisitions Tax, which remains at 33%. The CAT Exemption Class A threshold, which applies to gift and inheritances from parents to their children is increased by €30,000 to €310,000. The Group B and C thresholds are both increased by 8% to €32,500 and €16,250 respectively.

Relationship to Disponer	New Threshold	Existing Threshold
Child/minor child of deceased child/ favoured nephew/niece/parent	310,000	280,000
Lineal ancestor/descendant/brother /sister/nephew/niece parent	32,500	30,150
Others	16,250	15,075

Minister Noonan indicated that he intends revisiting CAT thresholds in the coming years with a view to increasing them further.

Indirect Taxation

Effective Date

Value Added Tax

VAT Rates

There are no changes proposed to the standard VAT rate which remains at 23%, the reduced rate which remains at 13.5% or to goods or services which are zero rated. 01/01/2017

The second reduced VAT rate of 9% applicable to certain goods and services (mainly in tourism and related industries) has again been retained for a further year. The Minister noted that that the economic rationale for the reduced rate is no longer as strong as it once was, but that the retention of this rate would act as a buffer against increased costs for British tourists resulting from a weakened Sterling. 01/01/2017

Farmers Flat Rate Addition

01/01/2017

The farmer's flat-rate addition will be increased from 5.2% to 5.4%.

Excise Duties

Tobacco Products

11/10/2016

The Excise Duty on a packet of 20 cigarettes is being increased by 50 cents (including VAT), with a pro-rata increase on other tobacco products, with effect from midnight on 11th October 2016.

Alcohol, Petrol and Diesel

There is no change to duties on alcohol, petrol or diesel.

Excise Duty Relief for Micro Breweries

T.B.A.

The relief reducing the standard rate of Alcohol Products Tax by 50% on beers produced in microbreweries is extended to apply to microbreweries which produce not more than 40,000 hectolitres per annum (up from 30,000 hectolitres).

SUGAR TAX

T.B.A

The Minister announced an intention to introduce a tax on sugar-sweetened drinks, to be introduced in line with a similar measure in the UK in April 2018. A consultation period will run until 3rd January 2017 and the details announced indicated that it is presently envisaged the tax will be calculated by reference to volume. 01/01/2017

CARBON TAX

The fuel inputs used to create high efficiency electricity in combined heat and power are being fully exempted from carbon tax.

01/01/2017

Motor Taxes

Motor Tax and VRT

The VRT reliefs available for the purchase of hybrid vehicles are extended to 31st December 2018. Those for electric vehicles are extended to 31st December 2021.

SOCIAL WELFARE BENEFITS

From 1st March 2017, all weekly social welfare payments, including the state pension, carer's allowance, disability allowance, and job seekers benefit and allowance, will be increased by €5 per week. There were no changes to the rate of chid benefit allowance.

PEOPLE OF PENSIONABLE AGE	NEW RATE PER WEEK	OLD RATE PER WEEK
	€	€
Contributory pension & Transition pension:		
Under 80		
- Personal rate	238.30	233.30
- With adult dependant <66	397.10	388.80
- With adult dependant 66 and over	451.80	442.30
Age 80 or over		
- Personal rate	248.30	243.30
- With adult dependant <66	407.10	398.80
- With adult dependant 66 and over	461.80	452.30
State Pension (Non Contributory):		
Under 80		
- Personal rate	227.00	222.00
- with a qualifying adult	377.00	368.70
Age 80 or over		
- Personal rate	237.00	232.00
- with a qualifying Adult	387.00	378.70
Widow(er) Contributory Pension: -		
- under 66	198.50	193.50
- 66 and under 80	238.30	233.30
- 80 or over	248.30	243.30
Widow(er)s Non-Contributory Pension: -	193.00	188.00
Invalidity Pension		
- Personal rate	198.50	193.50
- With qualified adult	340.20	331.60

CHILD BENEFIT	NEW RATE PER MONTH	OLD RATE PER MONTH
	€	€
Rate per child	140.00	140.00

People of Working Age	New Rate Per Week €	Old Rate Per Week €
Job Seekers Allowance & Supplementary Welfare Allowance:		
Personal Rate aged 18 to 21	102.70	100.00
Claimants age 18 to 21 years with qualified adult	205.40	200.00
Personal Rate aged 22 to 24	102.70	100.00
Claimants aged 22 to 24 years with qualified adult	205.40	200.00
Personal Rate at 25 years of age	147.80	144.00
Claimants aged 25 years with qualified adult	275.90	268.80
Personal Rate aged over 26	193.00	188.00
Job Seekers Allowance Claimants aged over 26 with qualified adult	321.10	312.80
Supplementary Welfare Allowance Claimants aged over 26 with qualified adult	319.10	310.80
Disability Allowance		
Personal Rate	193.00	188.00
Person with qualified adult	321.10	312.80
Other benefits:-		
Maternity Benefit	235.00	230.00
Carers Benefit	210.00	205.00

Other Allowance s

There was no change announced to the following allowances and payments;

- Fuel Allowance ,
- Family Income Supplement,
- Jobseekers Transitional Payment, and
- Respite Care Grant
- There was a 15% increase in the Rent Supplement limits in July 2016.

Paternity Benefit

There are no changes in the paternity benefit scheme which commenced in September 2016. It is paid for two weeks and is available for any child born or adopted on or after 1 September 2016. Paternity leave can be started at any time within the first 6 months following the birth or adoption placement.

Christmas Bonus

The Christmas bonus for social welfare recipients will be increased to 85% of the recipient's weekly payment for Christmas 2016.

Employment Supports

There are no changes in the payments for Community Employment, Rural Social Scheme, Tus, Gateway and JobBridge.

OTHER PRINCIPAL MEASURES

AVOIDANCE AND EVASION

The following three significant measures were announced with the intention of increasing tax compliance. The anticipated overall revenue from these measures is €130m in 2017.

1. SECTION 110 COMPANIES

Section 110 of the Taxes Consolidation Act, 1997, allows for the establishment of Irish Special Purpose Vehicles (SPVs) and was introduced to benefit the financial services industry. Provided they meet certain conditions, SPVs can conduct their activities without incurring a liability to Irish taxation. The Minister acknowledged concerns relating to the manner in which SPVs are now operating in the property market and announced that amendments to Section 110 would be included in the Finance Bill, with the intention of eliminating unintended uses of this legislation, (anticipated 2017 revenue €50m).

2. OFFSHORE EVASION

The Minister announced a range of compliance measures to combat offshore tax evasion. There will be new legislation designed to encourage early disclosures of liabilities in relation to offshore accounts or assets by denying the opportunity to make a qualifying disclosure in this area after 1st May 2017 and introducing a new strict liability criminal offence for failure to return details of offshore accounts or other assets, (anticipated 2017 revenue €30m).

3. ADDITIONAL REVENUE STAFF

The Minister also announced the allocation of additional resources for the Revenue Commissioners to allow for the addition of 50 new staff working in the area of audit and investigation activities, (anticipated 2017 revenue €50m).

SINGLE AFFORDABLE CHILDCARE SCHEME

The Department of Children and Youth Affairs secured an additional €173 million in the budget. This will fund the Single Affordable Childcare Scheme aimed at children attending Tusla-Registered facilities in a scheme to be introduced in September 2017.

The scheme will include a universal measure for parents of children aged from 6 months to three years providing a universal subsidy of up to €80 per month towards childcare costs.

The scheme will also include a targeted subsidy for children aged from 6 months up to 15 years based on the net family income, (a means tested subsidy). This targeted subsidy is designed to meet families' full-time childcare needs, including outside of school hours and during school holiday time. The highest levels of subsidy will be provided to those on the lowest incomes, a subsidy of approx. €8,000 a year based on the maximum of 40-hours childcare per week.

This will replace existing childcare subsidisation schemes, excluding the free pre-school ECCE scheme, from September 2017.

CORPORATE TAX CODE REVIEW

The Minister announced the appointment of Seamus Coffey as head of the review of the corporate tax code that was announced in September 2016. The terms of reference of the review are published today and include the following;

- Achieving the highest international standards in tax transparency.
- Ensuring that the corporation tax code does not provide preferential treatment to any taxpayer
- Further implementing Ireland's commitments under the Organisation for Economic Co-operation and Development's Base Erosion and Profit Shifting (BEPS) project to tackle harmful tax competition and aggressive tax planning.
- Delivering tax certainty for business and maintaining the competitiveness of Ireland's corporation tax offering.
- Maintaining the 12.5% rate of corporation tax.

Redesign of PAYE system

The Minister announced the launch of a consultation process which is intended to lead to a fundamental redesign and modernisation of the PAYE system with stated aims including the reduction in contact between employers and the Revenue Commissioners and the reduction of administration costs for both parties.

International Tax Strategy

The International Tax Strategy, first published on Budget Day 2014, is updated to restate the government's commitment to meeting new international tax principles. As part of the report, the Government announced that legislation will soon be proposed to extend the Knowledge Development Box (KDB), first announced in Budget 2016, to provide an additional benefit for small companies who wish to avail of the KDB. In addition, the report also highlights the beneficial impact of the Research and Development Tax Credit and confirms the Government's commitment to the three year corporation tax start-up relief. The report notes the Government's ongoing activity in complying with OECD guidelines and indicates that changes maybe be required to Ireland's transfer pricing rules. The report also states that the Government continues to oppose any harmonisation of EU tax rates, minimum levels of taxation, or the encroachment of State Aid rules into an individual country's taxation policy.

Supporting The Rural Economy

Low Cost Flexible Loan Fund - The Minister announced that a new low-cost flexible loan fund with interest rates below 3% will become available for farmers. This is valued at €150m, and is intended to enable farmers to improve the management of their cash flow and to reduce the cost of their short term borrowings.

Sheep Farmer Subsidies - A new €25m animal welfare scheme for sheep will commence next year.

Green, Low-Carbon, Agri-Environment Scheme (GLAS) - to get an increased budget, up €69m to €211m, enough to cater for an expected 50,000 applicants by 2017.

National Broadband Plan - €15 million has been allocated to progress the rollout of the plan to provide high speed broadband to rural Ireland.

Health

The Health Services budget has been increased to €14.6 billion, which represents the highest ever level of health funding in the history of our country.

There will be a reduction in the cap on prescription charges for the over 70 year olds to €20 with effect from 1st March 2017.

It is also proposed to increase medical card coverage to all children in receipt of Domiciliary Care Allowance.

Funding in sum of €15 million will be made available to the National Treatment Purchase Fund to reduce waiting lists.

Charities

Charities are exempt from VAT under the EU VAT directive and, as a result, must suffer VAT as a cost. The minister announced that he has instructed his department to continue engaging with the Irish Charities Tax Reform Group to review options for compensating charities for this cost.

Social Insurance improvements for self-employed

Social insurance cover for the self-employed is extended to dental and optical benefits and Invalidity Pension. There is no associated increase in PRSI rates for the self-employed.

Education

The Minister announced 2,400 new teaching posts for 2017, of which 900 will be resource teachers.

Budget 2017 also sees an increase of €36.5 million in funding for the higher and further education sector, which represents the first significant investment in higher education resources in a number of years.

Justice

Funding has been made available in 2017 to recruit and train an additional 800 Gardaí.
There will also be accelerated recruitment of civilian staff into an Garda Siochana to help free up desk bound trained officers for frontline duties.

Housing And Homelessness

The Minister is providing an additional €105 million for the Housing Assistance Payment Scheme that will bring the budget for this purpose to nearly €153 million, an increase of 220% compared to 2016. This will enable an additional 15,000 households to avail of the scheme.
He is also increasing the allocation for emergency accommodation for homeless people by an additional €28 million approximately, to almost €100 million.

Share-Based Incentive Scheme

Following a public consultation and a review of share-based remuneration by the Department of Finance, the Minister now intends to develop a new SME focussed share-based incentive scheme, to be introduced in Budget 2018.

APPENDIX A – CHANGES IN NET INCOME

The examples below demonstrate the effect of the changes to Income Tax and Universal Social Charge rules in 2017.

	SINGLE	MARRIED SPOUSE NOT EARNING	MARRIED SPOUSE EARNING *
	NET INCOME INCREASE €	NET INCOME INCREASE €	NET INCOME INCREASE €
PAYE INCOME			
€12,000	0	0	0
€14,000	70	70	0
€18,000	90	90	0
€20,000	103	103	0
€25,000	128	128	0
€30,000	153	153	150
€35,000	178	178	175
€45,000	228	228	230
€55,000	278	278	280
€70,000	353	353	355
€100,000	353	353	505
€150,000	353	353	706
€175,000	353	353	706
SELF EMPLOYED			
€12,000	200	0	0
€14,000	470	70	0
€18,000	490	90	0
€20,000	503	253	0
€25,000	528	528	600
€30,000	553	553	950
€35,000	578	578	975
€45,000	628	628	1,030
€55,000	678	678	1,080
€70,000	753	753	1,155
€100,000	753	753	1,305
€150,000	753	753	1,505
€175,000	753	753	1,505

* Assumes incomes of both spouses are equal and combine to total the income levels shown.

APPENDIX B – INCOME TAX CREDITS

	2017 €	2016 €	CHANGE €
Single Person	1,650	1,650	0
Married Couple	3,300	3,300	0
Home Carer	1,100	1,000	100
Widow or Widower – additional	540	540	0
Widow/Parent - Bereavement Year	3,300	3,300	0
Widow/Parent – years 1-5 after Bereavement	1,800 to 3,600	1,800 to 3,600	0
Single Person Child Carer	1,650	1,650	0
Incapacitated Child	3,300	3,300	0
Dependent Relative	70	70	0
Blind Person	1,650	1,650	0
Both Spouses Blind	3,300	3,300	0
Age Allowance - Single/Widowed	245	245	0
- Married Couple	490	490	0
Employee PAYE Allowance	1,650	1,650	0
Self-Employed Income Credit	950	550	400
Fishers Tax Credit	1,270	0	1,270

APPENDIX C – UNIVERSAL SOCIAL CHARGE & PRSI

UNIVERSAL SOCIAL CHARGE PROPOSED 2017		EXISTING 2016	
Exemption Threshold	€13,000	Exemption Threshold	€13,000
€0 to €12,012	0.5 %	€0 - €12,012	1%
€12,013 to €18,772	2.5%	€12,013 to €18,668	3%
€18,773 to €70,044	5%	€18,669 to €70,044	5.5%
€70,045 to €100,000	8%	€70,045 to €100,000	8%
PAYE Income over €100,000	8%	PAYE Income over €100,000	8%
Self Employed Income over €100,000	11%	Self Employed Income over €100,000	11%
PRSI		PRSI	
Class A (Employee) PRSI Rate	4%	Class A (Employee) PRSI Rate	4%
Class S (Self Employed) PRSI Rate	4%	Class S (Self Employed) PRSI Rate	4%
Maximum Weekly Tapered PRSI Credit	€12	Maximum Weekly Tapered PRSI Credit	€12

Appendix D – Income Tax Rates and Bands

There was no change to the Standard Rate Band or the Income Tax Rates. Current rates and bands are set out below.

Income Tax Exemption Limits

Age Exemption Limits	2017 €	2016 €	Change €
- Single or Widowed	18,000	18,000	0
- Married Couples	36,000	36,000	0

Income Tax Rate Bands

Single or Widowed Persons	
2017 First €33,800 @ 20% = €6,760 Balance Over €33,800 @ 40%	2016 First €33,800 @ 20% = €6,760 Balance Over €33,800 @ 40%

Single or Widowed Lone Parent	
2017 First €37,800 @ 20% = €7,560 Balance over €37,800 @ 40%	2016 First €37,800 @ 20% = €7,560 Balance over €37,800 @ 40%

Single Income Married Couple	
2017 First €42,800 @ 20% = €8,560 Balance over €42,800 @ 40%	2015 First €42,800 @ 20% = €8,560 Balance over €42,800 @ 40%

Two Income Married Couple	
2016 First €67,600 @ 20% = €13,520 Balance over €67,600 @ 40%	2015 First €67,600 @ 20% = €13,520 Balance over €67,600 @ 40%