



BUDGET 2017

Clancy & Associates

PERSONAL TAX & BENEFITS

USC

Reductions in USC rates

- 1% ↓ 0.5%
- 3% ↓ 2.5%
- 5.5% ↓ 5%

All other rates remain unchanged

PERSONAL TAX RATES & BANDS

No changes in Income Tax rates or bands

EARNED INCOME CREDIT

Credit introduced last year increased now:

- € 550 ↑ € 950

HOME CARER CREDIT

Increase €1,000 ↑ €1,100

DIRT

Current rate of 41% ↓ 39 % 2017

Reduction of 2% each following year

- 2018 – 37%
- 2019 – 35%
- 2020 – 33%

FOREIGN EARNINGS DEDUCTION

- Days reduced from 40 ↓ 30
- Countries extended to include, Columbia and Pakistan
- Extended to 2020

HELP-TO-BUY SCHEME

- Income Tax rebate of 5% of new house cost to max €20k
- Rebate not available on house purchase price over €600k
- Rebate of Income Tax paid over previous 4 years
- Rebate counts towards Central Bank deposit requirements for mortgage approvals

MORTGAGE INTEREST RELIEF FOR LANDLORDS

- Increase from 75% ↑ 80% 2017
- Commitment to increase by 5% each year to reach 100% relief by 2021

RENT A ROOM RELIEF

Limit increased from €12,000 to €14,000

HOME RENOVATION INCENTIVE

- Current scheme due to expire 31 Dec 2016
- Current rate 13.5% of value of work provided up to a maximum credit of €4,050
- Budget extends lifetime of scheme to 2018

OLD AGE PENSION

Increase of €5 per week – effective from 1 March 2017

ALL WEEKLY SOCIAL WELFARE PAYMENTS

Increase of € 5 per week – effective from 1 March 2017

PRESCRIPTION CHARGES (OVER 70'S)

Reduction in monthly payment from €25 ↓ €20

BUSINESS

CGT RELIEF FOR ENTREPRENEURS PROGRAMME

- Current scheme provides for 20% CGT rate on gains of €1m (lifetime limit)
- New Rate 10%
- No change to lifetime limit
- Thus maximum benefit based on current CGT rates increased from €130k ↑ €230k

START YOUR OWN BUSINESS RELIEF

- Two year extension to now expire in 2018

FARMERS

- Flat rate 5.2% ↑ 5.4%
- Income averaging step out provision for one poor income year – can avail of 2016
- Raised bog payment

SPECIAL ASSIGNEE RELIEF

- Due to expire end of 2017
- Budget extends scheme to 2020
- Reduction of max of 30% unchanged
- Limits of min €75k and no upper limit unchanged

LIVING CITY INITIATIVE

- Extension to include landlords
- Cap on floor size removed

ACCELERATED CAPITAL ALLOWANCES

- 100% allowance for energy efficient equipment extended to sole traders

FISHERS TAX CREDIT

- Fish for wild fish – 80 days in tax year
- Credit €1,270

CAPITAL TAXES, INDIRECT TAXES, AND EXCISE

CAPITAL ACQUISITIONS TAX RATES & BANDS

No rate change

Bands:

- Group A - €280K ↑ €310K
- Group B – €30,150 ↑ €32,500
- Group C - €15,075 ↑ €16,250

COMPLIANCE MEASURES

Finance Bill to introduce a number of measure to include:-

Offshore Tax Evasion:

- ✓ Denying opportunity of voluntary disclosure
- ✓ Introduction of new strict liability offences

Section 110 & Funds Changes

- ✓ Finance Bill to include legislative amendments

Increase in Revenue Resources

EXCISE INCREASES

Cigarettes ↑ 50 cent / 20 pack

No other excise increases

VRT

- Extension of relief for hybrid electrical and plug in hybrid electrical vehicles to 2018
- Extension of relief for electrical vehicles and motor cycles to 2021

TOURISM

- No change to the 9% VAT rate

Details Of Personal Tax Credits For 2017

Personal Circumstances	2017	2016
Single Person	€1,650	€1,650
Married Person	€3,300	€3,300
Widowed Person qualifying for Single Person Child Carer Tax Credit	€1,650	€1,650
Widowed Person without dependent children	€2,190	€2,190
Widowed Person in year of bereavement	€3,300	€3,300
Single Person Child Carer, Widowed, Deserted, Separated or Unmarried (with qualifying dependent children)	€1,650	€1,650
Widowed Parent 1st Year after Bereavement	€3,600	€3,600
Widowed Parent 2nd Year after Bereavement	€3,150	€3,150
Widowed Parent 3rd Year after Bereavement	€2,700	€2,700
Widowed Parent 4th Year after Bereavement	€2,250	€2,250
Widowed Parent 5th Year after Bereavement	€1,800	€1,800
Home Carer	€1,100	€1,000
PAYE Tax Credit	€1,650	€1,650
Age Tax Credit if Single/Widowed	€245	€245
Age Tax Credit if Married	€490	€490
Incapacitated Child	€3,300	€3,300
Dependent Relative	€70	€70
Incapacitated Person - Allowance for Employing a Carer	€75,000* <i>max</i> @ <i>Marginal</i>	€75,000* <i>max</i> @ <i>Marginal</i>
Earned Income Tax Credit	€950	€550

TAX BANDS	
Tax rates and bands applicable to your personal circumstance in tax year 2017 (No Changes From 2016)	
Personal Circumstances	2017
Single / Widowed without dependent children	€33,800 @ 20% Balance @ 40%
Single / Widowed qualifying for Single Person Child Carer Tax Credit	€37,800 @ 20% Balance @ 40%
Married Couple - one spouse with income	€42,800 @ 20% Balance @ 40%
Married Couple - both spouses with income	€67,600 @ 20% Balance @ 40%

Note: The increase in the standard rate tax band is restricted to the lower of €24,800 or the amount of the income of the spouse with the lower income. The increase is not transferable between spouses

UNIVERSAL SOCIAL CHARGE	
	2017
Universal Social Charge Thresholds	Rate
Individuals in receipt of income of €13,000 or below	Exempt
Income up to €12,012	0.5%
Income between €12,013 and €18,772	2.5%
Income between €18,772 and €70,044	5%
Income above €70,045	8%
Income over €100,000 for Self-Employed	11%
Universal Social Charge will apply to those age 70 years or over, and medical card holders earning less than €60,000	2.5%

PRSI
4% still applies to employees and self-employed individuals with no income ceiling