

Taxation Reference Material

Republic of Ireland

For use in First- and Second-Year Taxation Examinations
Summer & Autumn 2025

TAX RATES AND TAX BANDS

Personal Circumstances	Tax Year 2024
Single, Widowed or a Surviving Civil Partner without qualifying children	€42,000 @ 20%, Balance @ 40%
Single, Widowed or a Surviving Civil Partner qualifying for Single Person Child Carer Credit	€46,000 @ 20%, Balance @ 40%
Married or in a Civil Partnership – one Spouse or Civil Partner with income	€51,000 @ 20%, Balance @ 40%
Married or in a Civil Partnership – both Spouses or Civil Partners with income	€84,000 @ 20%* Balance @ 40%

Note: The increase in the standard rate tax band is restricted to the lower of €33,000 or the amount of the income of the Spouse or Civil Partner with the lower income. The increase is not transferable between Spouses or Civil Partners.

PERSONAL TAX CREDITS

Personal Circumstances	
Single Person	€1,875
Married Person or Civil Partner	€3,750
Widowed Person or Surviving Civil Partner – qualifying for Single Person Child Carer Credit	€1,875
Widowed Person or Surviving Civil Partner without qualifying children	€2,415
Widowed Person or Surviving Civil Partner in year of bereavement	€3,750
Single Person Child Carer Credit (with qualifying child)	€1,750
Widowed Person or Surviving Civil Partner Tax Credit (with qualifying child)	
– First year after death	€3,600
– Second year after death	€3,150
– Third year after death	€2,700
– Fourth year after death	€2,250
– Fifth year after death	€1,800
Home Carer Tax Credit (max)	€1,800
Employee (PAYE) Tax Credit	€1,875
Earned Income Tax Credit	€1,875
Age Tax Credit if Single, Widowed or Surviving Civil Partner	€245
Age Tax Credit if Married or in a Civil Partnership	€490
Incapacitated Child Credit	€3,500
Dependent Relative Tax Credit (See Note 1)	€245
Rent Tax Credit – single person (maximum)	€750
Rent Tax Credit – jointly assessed married couple/civil partners (maximum)	€1,500
Blind Persons Tax Credit	€1,650
Incapacitated Person – Relief for Employing a Carer (See Note 3)	€75,000 max.

Note 1: In the case of Dependent Relative Tax Credit, if the relative's income exceeds the relevant limit of €17,404 then no tax credit is due.

Note 2: Relief in respect of the cost of maintaining a guide dog (max €825) may be claimed under the heading of Health Expenses, therefore the equivalent to a tax credit of €165.

Note 3: Relief for Employing a Carer is allowable at the individual's highest rate of tax, i.e., 20% or 40%.

EXEMPTION LIMITS

Exemption limits for Single or Widowed or Surviving Civil Partner, Couples in a Marriage or Civil Partnership and additional amount(s) for qualifying children.

Personal Circumstances	
Single, Widowed or Surviving Civil Partner 65 years of age or over	€18,000
Married or in a Civil Partnership 65 years of age or over	€36,000
Single, Widowed, a Surviving Civil Partner, Married or in a Civil Partnership 65 years of age or over	
Additional for 1st and 2nd qualifying child	€575
Single, Widowed, a Surviving Civil Partner, Married or in a Civil Partnership 65 years of age or over	
Additional for each subsequent qualifying child	€830
Marginal Relief Tax Rate	40%

PENSION CONTRIBUTIONS/ RETIREMENT ANNUITY PREMIUMS – RELEVANT LIMITS

AGE	MAXIMUM CONTRIBUTION
Less than 30 years of age	15%
30 years of age but less than 40 years	20%
40 years of age but less than 50 years	25%
50 years of age but less than 55 years	30%
55 years of age but less than 60 years	35%
60 years of age or more	40%
Relevant earnings ceiling	€115,000

TUITION FEES

Tax relief at the standard rate of tax (20%) is available for certain tuition fees. The maximum limit on such qualifying fees for the academic year is €7,000 per individual per course, subject to the following disregarded amounts:

Where any one of the students in respect of whom relief is claimed is a full-time student	€3,000 disregard in respect of each claim
Where all the students in respect of whom relief is claimed are part-time students	€1,500 disregard in respect of each claim

RATE OF DIRT

From 01/01/2020

33%

BENEFIT-IN-KIND

Preferential Loans

Loan for purpose of Principal Private Residence	4%
Other loans	13.5%

Accommodation

Notional annual value for furniture provided based on market value	5%
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MOTOR VEHICLE BENEFIT-IN-KIND TABLE

TABLE 1:
Vehicle Category based on CO₂ Emissions

Vehicle Category	CO ₂ Emissions (CO ₂ g/km)
A	0g/km – 59 g/km
B	More than 59 g/km – 99 g/km
C	More than 99 g/km – 139 g/km
D	More than 139 g/km – 179 g/km
E	More than 179 g/km

TABLE 2:
Relevant Percentage Determined by Annual Business Travel and Vehicle Category

BUSINESS TRAVEL		BIK RATE PER VEHICLE CATEGORY				
Lower limit	Upper limit	A	B	C	D	E
KM	KM	%	%	%	%	%
0	26,000	22.5%	26.25%	30%	33.75%	37.5%
26,001	39,000	18%	21%	24%	27%	30%
39,001	48,000	13.5%	15.75%	18%	20.25%	22.5%
48,001	And above	9%	10.5%	12%	13.5%	15%

CAPITAL ALLOWANCES

Plant and Machinery	Maximum allowance
Plant purchased on or after 4th December 2002	12.5%

Emissions-Based Limits on Capital Allowances and Leasing expenses for expenditure incurred on motor vehicles from 1 January 2021		
Category	Emissions Levels	Restricted Amount
Group 1 (A & B)	Up to and including 140g/km	€24,000
Group 2 (C)	Between 140g/km and 155g/km	Lower of €12,000 or 50% of cost of the car
Group 3 (D, E & F)	Over 155g/km	Nil

For expenditure incurred or lease agreements entered into prior to 1 January 2021, the group categories are as follows:

Group 1 – categories A, B and C motor vehicles

Group 2 – categories D and E motor vehicles

Group 3 – group F motor vehicles

PAYE EMERGENCY BASIS

		Tax Credit	Standard Rate cut-off point
		€	€
Weekly Paid	First 4 weeks	Nil	808.00
	Each subsequent week	Nil	Nil
Monthly Paid	First month	Nil	3,500.00
	Each subsequent month	Nil	Nil

Note: If an employee does not provide his employer with a PPS number or other relevant documentation NO standard rate cut-off point is available in the first week/month of employment. In such a case, the employee's earnings will be subject to the marginal tax rate immediately, with no tax credits available.

PRSI

TABLE 1 – PRSI CLASSES AND RATE TO 30 SEPTEMBER 2024

PRSI Class	Weekly Earnings Band	How Much of Weekly Earnings	Employer	Employee
A0	€38 – €352 incl.	All	8.80%	Nil
AX ²	€352.01 – €424	All	8.80%	4%
AL	€424.01 – €441	All	8.80%	4%
A1	In excess of €441	All	11.05%	4%
S0 ³	Up to €500	All	N/a	4%
S1 ³	In excess of €500	All	N/a	4%

Notes:

- For PRSI purposes, reckonable earnings are calculated separately for husband and wife
- PRSI credit applies. Employees earning between €352.01 and €424 are entitled to a maximum credit of €12 per week. The credit is reduced if earnings exceed €352.01 as follows:
€12 less (Excess earnings over €352.01 x 1/6)
- These rates are also applicable to “self-employed” persons and are subject to a minimum contribution of €500.

TABLE 2 – PRSI CLASSES AND RATE FROM 1 OCTOBER 2024

PRSI Class	Weekly Earnings Band	How Much of Weekly Earnings	Employer	Employee
A0	€38 – €352 incl.	All	8.90%	Nil
AX ²	€352.01 – €424	All	8.90%	4.1%
AL	€424.01 – €496	All	8.90%	4.1%
A1	In excess of €496	All	11.15%	4.1%
S0 ³	Up to €500	All	N/a	4.1%
S1 ³	In excess of €500	All	N/a	4.1%

Notes:

- For PRSI purposes, reckonable earnings are calculated separately for husband and wife
- PRSI credit applies. Employees earning between €352.01 and €424 are entitled to a maximum credit of €12 per week. The credit is reduced if earnings exceed €352.01 as follows:
€12 less (Excess earnings over €352.01 x 1/6)
- These rates are also applicable to “self-employed” persons and are subject to a minimum contribution of €650.

UNIVERSAL SOCIAL CHARGE (USC)

The USC is a tax payable on gross income, including notional pay, after relief for certain capital allowances, but before pension contributions. The rates and thresholds of the Universal Social Charge are as follows:

Individual aged under 70 years	Rate of USC
Income up to €12,012.00	0.50%
Income from €12,012.01 to €25,760.00	2.00%
Income from €25,760.01 to €70,044.00	4.00%
Income above €70,044.00	8.00%

For individuals aged 70 years or over whose aggregate income for the year is €60,000 or less, or individuals (aged under 70) who hold a full medical card whose aggregate income for the year is €60,000 or less, the following rates of USC apply:

Individual aged over 70 years	Rate of USC
Income up to €12,012.00	0.5%
Income over €12,012.00	2.0%

There is a surcharge of 3% on non-PAYE income exceeding €100,000 in a year, regardless of the age of the individual.

USC EXEMPT CATEGORIES FOR TAX YEAR 2024

- Where an individual's total income for a year does not exceed €13,000
- All Department of Social Protection payments and payments similar in nature to such payments paid by other Governmental bodies (see full list at Additional Note 1 at the end of this document)
- Income already subject to DIRT
- Income qualifying for Childcare services relief, Rent-a-room relief, scholarships, and exempt employer benefits.

CORPORATION TAX

RATES OF TAX	
Standard rate	12.5%
Special rate – non-trade income and certain trading activities	25%

CAPITAL GAINS TAX

6/12/2012 onwards

33%

CAPITAL GAINS TAX – ANNUAL ALLOWANCE

€1,270 annual exemption per individual

CAPITAL GAINS TAX - INDEXATION TABLES

Year of Assessment in which Expenditure was Incurred	Multiplier for Disposal in Year Ended			
	<i>31 Dec 2001</i>	<i>31 Dec 2002</i>	<i>31 Dec 2003</i>	<i>2004 et seq</i>
1974/75	6.930	6.930	7.528	7.528
1975/76	5.597	5.597	6.080	6.080
1976/77	4.822	4.822	5.238	5.238
1977/78	4.133	4.133	4.490	4.490
1978/79	3.819	3.819	4.148	4.148
1979/80	3.445	3.445	3.742	3.742
1980/81	2.983	2.983	3.240	3.240
1981/82	2.465	2.465	2.678	2.678
1982/83	2.074	2.074	2.253	2.253
1983/84	1.844	1.844	2.003	2.003
1984/85	1.674	1.674	1.819	1.819
1985/86	1.577	1.577	1.713	1.713
1986/87	1.507	1.507	1.637	1.637
1987/88	1.457	1.457	1.583	1.583
1988/89	1.430	1.430	1.553	1.553
1989/90	1.384	1.384	1.503	1.503
1990/91	1.328	1.328	1.442	1.442
1991/92	1.294	1.294	1.406	1.406
1992/93	1.249	1.249	1.356	1.356
1993/94	1.226	1.226	1.331	1.331
1994/95	1.205	1.205	1.309	1.309
1995/96	1.175	1.175	1.277	1.277
1996/97	1.152	1.152	1.251	1.251
1997/98	1.134	1.134	1.232	1.232
1998/99	1.115	1.115	1.212	1.212
1999/00	1.098	1.098	1.193	1.193
2000/01	1.053	1.053	1.144	1.144
2001	-	-	1.087	1.087
2002	-	-	1.049	1.049
2003 et seq	-	-	1.000	1.000

VALUED ADDED TAX RATES

There are a number of different rates which apply to different categories of goods and services:

1. 0% – Zero Rate

This rate applies to certain goods and services, e.g., oral medicines, newspapers, certain books, certain foodstuffs, children's clothing and footwear and certain medical equipment, including defibrillators.

Includes e-books and audio books, and the supply and installation of solar panels on school buildings with effect from 1st January 2024.

The zero rate also applies to goods exported to business customers in the EU and customers in non- EU countries.

2. 13.5% – Reduced Rate

The rate applies to certain fuels, electricity and labour-intensive items, e.g. repairs, cleaning and maintenance services; restaurant and catering services; hotel and holiday accommodation; admissions to cinemas, theatres, certain musical performances, museums and art gallery exhibitions; fairgrounds or amusement park services; hairdressing services; certain printed matter such as brochures, maps, programmes, leaflets and catalogues.

3. 9% – Second Reduced Rate

Hospitality Sector:

The VAT rate for the tourism and hospitality sector was reduced from 13.5 per cent to 9 per cent on 1st November 2020. This was to help the sector during Covid and was subsequently extended until the end of August 2023.

VAT on Energy:

A temporary reduction of VAT on electricity and gas from 13.5% to 9% was introduced from 1st May to 31st October 2022. This has been extended again to 31st October 2024.

4. 23% – Standard Rate

This is the default rate of VAT and applies to all taxable supplies not listed at a specific rate in the VATCA 2010. The standard rate applies to most goods and services.

5. Exempted Activities

Certain financial services, including banking and stock exchange activities; insurance services; educational and training services provided by recognised educational bodies; medical, dental and optical services and hospital and nursing home services; certain welfare services and non-profit making activities; theatrical, certain musical and cultural services; letting of certain immovable goods; certain agency services; transport of passengers and their baggage; admission to sporting events; betting.

Additional Note 1: List of payments from other Government departments similar to Department of Social Welfare payments

- Blind Welfare Supplementary Allowance (HSE)
- Community Employment Scheme
- Farm Assist payments Retirement Pensions
- Job Initiative Scheme (Department of Enterprise Trade and Employment)
- Mobility Allowance (HSE)
- Social welfare payments received from another country
- Vocational Training Opportunities Scheme (VTOS)
- Youthreach Training Allowance (ETBs)