



WESTBORO PARTNERS

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BUDGET 2025 HIGHLIGHTS

Business Taxation

CORPORATION TAX RATE

- No changes to Corporation Tax announced.

CAPITAL GAINS TAX

- The new Angel investment in innovative start ups announced in Budget 2024 will commence shortly. The relief will be available to an individual who invests in an innovative start-up SME for a period of 3 years. The investment must be in the form of fully paid up ordinary share capital of at least €10,000 and constituting between 5% and 49% of the ordinary issued share capital of the company. Qualifying investors may avail of an effective reduced rate of CGT of 16% or 18% if through a partnership on a gain of up to twice the value of their initial investment. The lifetime limit of € 3 million on gains to which the reduced rate of CGT will apply is to increase to €10m.
- From 1 January 2025 Retirement Relief is being extended to bring the upper age limit from age 65 until the age of 70 as announced in Budget 2024. The Minister today announced that a clawback period of 12 years will be introduced, for relief available for disposals over €10m, after which the CGT will be abated.

BUSINESS SUPPORTS

- The following reliefs will be extended for a further two years to the end of 2026:
 1. Employment Investment Incentive (EII)
 2. Start Up Relief for Entrepreneurs (SURE)
 3. Start Up Capital Relief (SCI)
- The limit on the amount that an investor can claim relief on for EII investment will be increased from €500,000 to €1,000,000. It is proposed to increase the relief available to a maximum of €140,000 per year (€980,000 over 7 years) for SURE investments.
- The current Research and Development (R&D) first year payment threshold of €50,000 is being increased to €75,000.
- S486C Start Up Relief currently providing CT relief for new small companies is to be amended, to extend qualifying criteria to allow up to €1,000 of Class S PRSI per individual to count toward the relief.
- It is proposed to introduce a participation exemption for foreign dividends.
- Small Benefit Exemption is to be increased to €1,500 and the number of benefits an employer can give, is to increase from two to five per annum.
- The temporary relief from benefit in kind (BIK) of €10,000 applied to the Original Market Value of a vehicle (including vans) for vehicles in category A-D and the amendment to the lower limit of the highest mileage band is being extended to 31 December 2025.
- A BIK exemption is to be introduced for the provision of a facility for the electric charging of vehicles at the home of an employee or director.

MINIMUM WAGE INCREASE

- From 1 January 2025 the national minimum wage will increase by €0.80 per hour to €13.50 per hour.

Personal Tax

INCOME TAX

- There were no changes to the Income Tax rates.
- The exemption limits, tax credits and standard rate bands applicable for the tax year 2025 are set out in detail under the **Personal Tax Facts** section.
- Any changes that have been made to the rates and bands for USC are set out in detail under the **Personal Tax Facts** section.

TAX CREDITS/ BANDS

- The Standard Rate Band is being increased by €2,000 per person.
- The Minister has increased Personal Tax credits, Employee Tax Credit and the Earned Income Credit by €125.
- The Home Carer tax credit and the Single Person Child Carer credit are increasing by €150.
- The Incapacitated Child tax credit and Blind Person tax credit is increasing by €300. While the Dependent Relative tax credit is increasing by €60.

PROPERTY

- Help to Buy Scheme (HTB) is being continued at the current rates until the end of 2029.
- Pre-letting Expenses relief is being extended to 31 December 2027.
- Vacant Homes Tax is being increased from five times to seven times a properties existing base Local Property Tax liability from 1 November 2024.

RENTAL TAX CREDIT

- The tax credit is being amended to increase the amount that can be claimed from €750 to €1,000 (or €2,000 in the case of a jointly assessed tax payer).
- This increased credit will apply for 2024 and 2025.

MORTGAGE INTEREST RELIEF

- Mortgage Interest Relief for homeowners with an outstanding balance on their primary dwelling house of between €80,000 and €500,000 is being extended by one year.
- Relief will be available for qualifying homeowners in respect of increased interest paid on their mortgage in the calendar year 2024 as compared with the amount paid in 2023, at the standard rate of 20% income tax. The relief will be capped at €1,250 per property.

PENSION

- Finance Bill 2025 will provide for taxation of Automatic Enrolment Retirement Savings (AE Funds Scheme) to align with taxation of PRSA's. Employer contributions are tax relieved, growth in AE Funds is exempt from tax and the AE funds are taxed on drawdown other than a 25% lump sum. The lump sum can be taken tax free up to €200,000, is taxed at 20% between €200,000 and €500,000 and is taxed at 40% above €500,000.

CAPITAL ACQUISITION TAX

- Capital Acquisition Thresholds are to increase as follows (commencement date to be announced):
 - a. Group A threshold from €335,000 to €400,000
 - b. Group B threshold from €32,500 to €40,000
 - c. Group C threshold from €16,250 to €20,000

Farmer's Tax

- The farmers flat rate VAT scheme is being increased from 4.8% to 5.1% with effect from 1 January 2025.
- The following agricultural reliefs are to be extended to 31 December 2027:
 - a. General Stock Relief
 - b. Stock Relief for Young Trained Farmers
 - c. Stock Relief for Registered Farm Partnerships
- It is proposed that Agricultural Relief is to be amended so that the six year active farmer test will be applied to the individual providing the gift or inheritance.
- Young Trained Farmer Stamp Duty relief and Stamp Duty relief applying to farmers who lease land is to be amended, so that it will be available where it is claimed by an individual farmer who carries on the farm business through a company.
- Accelerated capital allowances for eligible farm safety equipment is to be extended by adding further qualifying farm safety equipment types.
- Landowners who carry out genuine economic activity on their land are to be provided with an opportunity to avail of an exemption in 2025 if they seek to have their land rezoned to reflect the activity they carry out on their land.

Stamp Duty

- The Stamp Duty rate applied where 10 or more houses are acquired in any 12 month period is being increased from 10% to 15% with effect from midnight 01 October 2024.
- The rate of Stamp Duty applicable to residential property valued above €1.5m will increase to 6% from midnight 01 October 2024. The existing Stamp Duty rates of 1% on property values up to €1m and 2% on values between €1m and €1.5m, will remain. Normal transitional arrangements will apply for transactions in progress.

VAT

- From 1 January 2025, the existing VAT registration thresholds are being increased from €40,000 for services and €80,000 for goods to €42,500 for services and €85,000 for goods.
- The 9% VAT rate for electricity and gas has been extended until 30 April 2025.
- The VAT rate on heat pumps is being reduced from 23% to 9% from 1 January 2025.

Personal Tax Facts

TAX CREDITS FOR TAX YEAR 2025

	2025	2024		2025	2024
	€	€		€	€
Personal					
Single	2,000	1,875	Fisher Tax Credit	1,270	1,270
Married	4,000	3,750			
Widowed Person	2,540	2,415	Incapacitated Child	3,800	3,500
Single Person Child Carer	1,900	1,750			
Home Carer Credit	1,950	1,800	Dependant Relative	305	245
Earned Income Credit*	2,000	1,875	Blind Person		
PAYE	2,000	1,875	Single / Married	1,950	1,650
			Married (both blind)	3,900	3,300
Widowed Parent Bereavement			Age Credit		
Tax Credit year 1	3,600	3,600	Single / Widowed	245	245
~ Tapering to year 5	1,800	1,800	Married	490	490

* No Earned Income Credit where an individual is entitled to a PAYE credit.

INCOME TAX RATES		INCOME TAX EXEMPTION LIMITS		
Single Persons	Married Persons		2025	2024
2025	2025		€	€
	(Two Incomes)			
20% First €44,000	20% First €88,000**	Single or Widowed 65 years or over	18,000	18,000
40% Balance	40% Balance			
LONE PARENT	(One income)	Married Couples 65 years or over	36,000	36,000
20% First €48,000	20% First €53,000			
40% Balance	40% Balance			

** Transferable between spouses up to a maximum of €53,000 for any one spouse. Subject to confirmation in Finance Act

UNIVERSAL SOCIAL CHARGE		
	2025	2024
	0.00% on total earnings <€13,000	0.00% on total earnings <€13,000
	0.50% on €0 to €12,012	0.50% on €0 to €12,012
	2.00% on €12,013 to €27,382	2.00% on €12,013 to €25,760
	3.00% on €27,383 to €70,044	4.00% on €25,761 to €70,044
	8.00% on €70,045 to €100,000	8.00% on €70,045 to €100,000
PAYE Income	8.00% on excess over €100,000	8.00% on excess over €100,000
Self-Employed	11.00% on excess over €100,000	11.00% on excess over €100,000

PRSI

	2025	2024		
Employer			From 1 October 2024	
Contribution for Class A				
PRSI	10.15%	10.15%		
Training Levy	1.00%	1.00%		
Total for Employer	11.15%	11.15%	on all income	on all income
	8.9% on earnings less than €496 p.w.	8.9% on earnings less than €496 p.w.		
Employee				
PRSI	* 4.10% on all income	* 4.10% on all income		
Self-Employed / Directors Contributions				
PRSI	** 4.10% on all income	** 4.10% on all income		

* Not applicable if earnings less than €18,300p.a. (€352 p.w.)

**4.10% subject to minimum payment of €500.