

Budget 2010

TAX FACTS & FIGURES



Niall C Garvey & Co
 Chartered Accountants
 12 Carmody Street, Ennis, Co Clare
 (065) 6864503 • www.ncg.ie



INCOME TAX 2010

	€ Existing	€ Change	€ New
PERSONAL TAX CREDITS			
Single persons	1,830	-	1,830
Married persons	3,660	-	3,660
Additional one-parent family PAYE	1,830	-	1,830
Age credit - single	325	-	325
Age credit - married	650	-	650
Home carer	900	-	900
Rent relief:			
Under age 55 single persons	400	-	400
Under age 55 married persons	800	-	800
Over age 55 single persons	800	-	800
Over age 55 married persons	1,600	-	1,600
Incapacitated child	3,660	-	3,660
Blind persons:			
Single	1,830	-	1,830
Married (both blind)	3,660	-	3,660
Widowed additional credit	600	-	600
EXEMPTION LIMITS – 65 YEARS AND OVER			
Single/widowed	20,000	-	20,000
Married	40,000	-	40,000
STANDARD RATE BANDS			
Single/widowed	36,400	-	36,400
Married couples, one income	45,400	-	45,400
Married couples, two incomes	72,800	-	72,800
One parent/widowed parent	40,400	-	40,400
TAX RATES			
Standard rate	20%	-	20%
Top rate	41%	-	41%
INCOME LEVY			
Income up to €75,036	2%	-	2%
Income from €75,037 to €174,980	4%	-	4%
Income above €174,980	6%	-	6%

There were no changes to the tax rates or bands. The levies (income, health and PRSI) will be combined in 2011 into a new universal social contribution.

Certain farm expenditure to comply with the EU nitrates directive will be exempt from the income levy.



Tax Relief at Source – Mortgage Interest Relief

The availability of mortgage interest relief has been extended. Qualifying loans taken out before 1 July 2011 will continue to get relief for 7 years. Transitional measures will be provided for qualifying loans taken out between 1 July 2011 and the end of 2013. Those whose entitlement to relief would, in the absence of this change, expire in 2010 or after, will continue to qualify for relief at the applicable rate up until the end of 2017. The relief will be abolished completely by the end of 2017.

CORPORATION TAX

Start-up Companies

The 3 year corporate and capital exemption scheme for start-up companies, introduced in 2009, has been extended to new start-up companies in 2010.

VAT

Decrease in the standard rate

The standard rate of VAT will be decreased from 21.5% to 21% with effect from 1 January 2010. This decrease will apply to all goods and services, which are currently subject to VAT at 21.5%.

Margin scheme goods

With effect from 1 January 2010 the margin scheme for second-hand goods will apply to the supply by taxable dealers of second-hand means of transport and second-hand agricultural machinery purchased or acquired in 2010, rather than the special schemes that currently apply.

In the period from 1 January 2010 to 30 June 2010 transitional measures will be available to taxable dealers in relation to input credit on means of transport and agricultural machinery purchased or acquired on or after 1 January 2010. These transitional measures mean that taxable dealers will be entitled to limited VAT relief on the purchase of these second-hand means of transport or agricultural machinery at a reducing scale of 40% in the period January/February 2010, 30% in the period March/April, and 20% in the period May/June, so as to assist their cash flow position. From 1 July 2010 the new scheme will operate as normal and no VAT input on second-hand means of transport or agricultural machinery will apply from that date.

EXCISES

Alteration in Rates of Mineral Oil Tax

From 10 December 2009 additional carbon charges, of €34.38 per 1,000 litres and €39.98 per 1,000 litres, are added to the rates of mineral oil tax for petrol and auto diesel respectively. Further carbon charges on heating fuel are expected in May 2010.

Alcohol Excise

Excise duties on all alcohol products are being reduced with effect from midnight on 9 December 2009. The reductions, including VAT are:

- 12 cent on a pint of standard beer and cider
- 8 cent on a 33cl bottle of beer (4.7% alcohol content)
- 60 cent on a standard 75cl bottle of wine
- 14 cent on a standard measure of spirits
- €2.76 on a standard 70cl bottle of spirits (40% alcohol content).

Excise duty on other alcohol products will be reduced pro-rata.

VRT

Scrappage scheme

The budget provides for a scrappage scheme for 2010. This scheme provides for VRT relief of up to €1,500 on registration of a new passenger car with CO2 emissions of not more than 140g/km when another passenger car, more than 10 years old, is scrapped. The old car, which must have been registered for at least the previous 18 months in the name of the person registering the new car, must be scrapped at an Authorised Treatment Facility and a Certificate of Destruction issued.

CAPITAL ALLOWANCES

The scheme of accelerated capital allowances for energy-efficient equipment for companies has been enhanced to include 3 new categories of equipment.

CAPITAL GAINS AND ACQUISITIONS TAXES, STAMP DUTY, PRSI

There were no changes to these taxes.