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2017 Tax Rates and Tables

Finance Act 2016

2017 Tax Rates and Tables Contents

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Introduction

We are delighted to present our 2017 Tax Rates and Tables summary.

As its title suggests, this is a summary of the main Irish tax rates and covers income tax, corporation tax, capital acquisitions tax, capital gains tax, stamp duty, VAT, Deposit Interest Retention Tax and Local Property Tax. It is not intended, nor should it be used, as a comprehensive guide to Irish tax but rather as a useful quick reference summary.

Personal income tax rates

Tax Year	Rate	Single/ Widowed/ Surviving Civil Partner No Children	Married couple / Civil Partnership One Income	Married couple/ Civil Partnership Two Incomes	Single/ Widowed/ Surviving Civil Partner with Qualifying Children
2015, 2016 & 2017	20%	€33,800	€42,800	€67,600*	€37,800
	40%	Balance	Balance	Balance	Balance

* Transferable between spouses / civil partners up to a maximum of €41,800 for any one spouse / civil partner

Tax Year	Rate	Single/ Widowed/ Surviving Civil Partner No Children	Married couple / Civil Partnership One Income	Married couple/ Civil Partnership Two Incomes	Single/ Widowed/ Surviving Civil Partner with Qualifying Children
2011 -2014	20%	€32,800	€41,800	€65,600*	€36,800
	41%	Balance	Balance	Balance	Balance

* Transferable between spouses / civil partners up to a maximum of €42,800 for any one spouse / civil partner. This increase in the standard rate band is restricted to the lower of €24,800 or the amount of the income of the spouse / civil partner with the lower income.

Personal tax credits

	2016 €	2017 €
Single person	1,650	1,650
Married couple/ Civil Partnership	3,300	3,300
Widowed person / Surviving Civil Partner (without qualifying child)	2,190	2,190
Single person child carer (with qualifying dependent children)	1,650	1,650
Incapacitated child (max)	3,300	3,300
Dependent relative (max) Income limit	70 14,060	70 14,060
Blind person - Single person or one spouse / civil partner blind - Both spouses / civil partners blind	1,650 3,300	1,650 3,300
Age credit Single/Widowed/ Surviving Civil Partner	245	245
Married/ Civil Partnership	490	490
PAYE (max)	1,650	1,650
Earned income (max)*	550	950
Home carer (max)	1,000	1,100
Rent credit **	80	40
Fishers tax credit (max)		1,270

* The earned income tax credit applies to self employed income and certain PAYE employments not subject to the PAYE tax credit

** The rent credit will no longer apply from 2018 onwards

Age Income Exemption Limits

	2016 & 2017
Single/ Widowed or Surviving Civil Partner - Aged 65 years +	€18,000
Married Couple or Civil Partnership – One spouse / civil partner is aged 65 years +	€36,000
The income limits are increased for each dependent child, as follows:	
- 1st and 2nd child	€575
- 3rd and subsequent child	€830
- Marginal relief rates *	40%

* Marginal relief restricts the amount of tax payable to the amount by which the total income exceeds the exemption limit, at the marginal relief rate and only applies to persons aged 65 years and over.

PRSI rates (2016 & 2017)

	Rate	Annual income
Employer	10.75%	No limit
	8.50%	If income is €376 per week or less
Employee (Class A1)	4%	No limit*

* Employees earning €352 or less per week are exempt from PRSI. In any week, in which an employee is subject to the full-rate PRSI, all earnings are subject to PRSI. Unearned income in excess of €3,174 per annum is subject to PRSI. There is a sliding scale of PRSI credit of max of €12 per week where weekly income is between €352 and €424.

	Income	Rate	Minimum Contribution	Exemption threshold
Self employed	All	4%	€500	€5,000 p.a.

Universal Social Charge (USC) rates

The USC is payable on gross income, including notional pay, after any relief for certain trading losses and capital allowances, but before pension contributions. All individuals are liable to pay the USC if their gross income exceeds the thresholds of €13,000 per annum (€250 per week).

2016 Universal Social Charge (USC) rates

	Rate	Income
Employee / Self employed	1%	The first €12,012
Employee / Self employed	3%	The next €6,656
Employee / Self employed	5.5%*	The next €51,376
Employee	8%	The remainder
Self employed	8%	The next €29,956
Self employed	11%**	No limit

* A reduced rate of 3% applies for persons over 70 years and / or with a full medical card where such individual's annual income does not exceed €60,000.

** This rate applies to "relevant income" in excess of €100,000 which is basically self-employment income and almost all forms of income that is not subject to PAYE.

2017 Universal Social Charge (USC) rates

	Rate	Income
Employee / Self employed	0.5%	The first €12,012
Employee / Self employed	2.5%	The next €6,760
Employee / Self employed	5.0%*	The next €51,272
Employee	8%	The remainder
Self employed	8%	The next €29,956
Self employed	11%**	No limit

* A reduced rate of 2.5% applies for persons over 70 years and / or with a full medical card where such individual's annual income does not exceed €60,000.

** This rate applies to "relevant income" in excess of €100,000 which is basically self-employment income and almost all forms of income that is not subject to PAYE.

Average Euro Exchange rates 2015 and 2016

	2015	2016
Australian dollar	1.4777	1.4883
Sterling	0.72585	0.81948
Canadian dollar	1.4186	1.4659
Chinese Yuan	6.9733	7.3522
Danish krone	7.4587	7.4452
Indian rupee	71.1956	74.3717
Japanese yen	134.31	120.20
Norwegian krone	8.9496	9.2906
Russian ruble	68.0720	74.1446
Swedish krona	9.3535	4.4904
Swiss franc	1.0679	1.0902
US dollar	1.1095	1.1069

Interest rate on overdue tax

Interest on late tax accrues at the following rates for each day the tax remains unpaid:

From 1 July 2009 to date of payment	0.0219% per day
From 1 April 2005 to 30 June 2009	0.0273% per day

These rates apply income tax, corporation tax, capital gains tax, stamp duty and capital acquisitions tax. However, specifically with regard to capital acquisitions tax, separate interest rates apply where instalment arrangements are entered into in relation to agricultural or business property.

The above rates do not apply to PAYE/ PRSI, VAT and Relevant Contracts Tax. The rates applicable for these taxes are as follows:

From 1 July 2009 to date of payment	0.0274% per day
From 1 April 2005 to 30 June 2009	0.0322% per day

Interest rate on overpaid tax

Rate of interest
0.011% per day or part of a day

Civil Service mileage rates

Car rates

Rates for individuals who are obliged to use their cars in the normal course of their duties, effective from 5 March 2009

Official Motor Travel in a calendar year	Engine Capacity		
	Up to 1,200cc	1,201cc to 1,500cc	1,501cc and over
Up to 6,437km	39.12 cent	46.25 cent	59.07 cent
6,438km and over	21.22 cent	23.62 cent	28.46 cent

Motor cycle rates

Effective from 5 March 2009

Official Motor Travel in a calendar year	Engine Capacity			
	Up to 150cc	151 cc to 250cc	251cc to 600cc	601cc and over
Up to 6,437km	14.48 cent	20.10 cent	23.72 cent	28.59 cent
6,438km and over	9.37 cent	13.31 cent	15.29 cent	17.60 cent

Bicycle rate 8 cent per kilometre

Civil Service subsistence rates

Domestic subsistence rates
Effective from 1 July 2015

Overnight allowance			Day Allowance	
Normal rate	Reduced rate	Detention rate	10 hours or more	5 hours but less than 10 hours
€125	€112.50	€62.50	€33.61	€14.01

Normal rate – up to 14 nights

Reduced rate – next 14 nights

Detention rate – next 28 nights

Special rules apply to absences over 56 nights

The Civil Service distance requirements provide that:

- An overnight allowance which covers a period of up to 24 hours from the time of departure, as well as any further period not exceeding 5 hours, will only be payable free of tax in respect of an absence which is necessarily spent overnight at least 100km away from the employee's home and normal place of work, and
- A day allowance, which applies to a continuous absence of 5 hours or more, will only be payable free of tax where the absence is not at a place within 8 km of the employee's home or normal place of work.

Benefit-in-Kind rates – Company car

Business Kilometre Travel	% of Original Market Value
0 – 24,000	30%
24,001 – 32,000	24%
32,001 – 40,000	18%
40,001 – 48,000	12%
48,001 +	6%

Specified interest rates for preferential loans from employer

Purpose of the loan	Specified interest rate
Loan obtained to purchase, repair, develop or maintain an employee's principal private residence	4%
Other loan	13.5%

Rates of corporation tax

Standard rate	12.5%
Knowledge development box rate (applies to profits from patented inventions and copyrighted software)	6.25%
Residential land, not fully developed	25%
Non-trading income rate	25%

Preliminary tax rules for companies

Small companies

A small company (i.e. where the corporation tax liability for the prior 12 month accounting period was less than €200,000) may pay preliminary tax based on its previous year's liability. Such company's preliminary tax payment is due by the 21st day of the eleventh month of the 12 month accounting period.

Large companies

A company with a corporation tax charge above €200,000 in its previous 12 month accounting period, must pay in two instalments, as follows:

- The first instalment is payable on the 21st day of the sixth month of the accounting period (e.g. 21st June for a calendar year period). The amount payable is the lower of
 - 50% of the corporation tax liability in the preceding accounting period, or
 - 45% of the corporation tax liability in the current accounting period
- The second is payable on the 21st day of the eleventh month of the period (e.g. 21st November for a calendar year period). The amount payable must bring the total preliminary tax paid up to 90% of the corporation tax liability for the current accounting period.

New companies

- New companies that do not expect their corporation tax liability for the first year to exceed €200,000 are not obliged to pay preliminary tax in that first year.

Where a company pays and files electronically, the 21st day becomes the 23rd. For preliminary tax purposes this applies to small, large and new companies.

The preliminary tax payment must equal 90% of the ultimate corporation tax liability.

Any remaining corporation tax balance due for the accounting period must be paid on or before the corporation tax return filing date (i.e. 9 months after the end of the accounting period but no later than the 21st day of that month, or the 23rd day were the company pays and files electronically).

Capital Gains Tax Rates and Payment Dates

Date of disposal	Development land sold for Residential Development	Development land (other than for Residential Development)	Foreign Life Assurance Policies and Offshore Funds	Entrepreneur relief (Reduced Rate)*	All Other Assets (Normal Rate)
06/12/2012 onwards	33%	33%	40%	10%	33%

* This relief remains capped at the lifetime limit of €1m chargeable gains. The 10% rate applies to disposals on or after 1 January 2017. For disposals between 1 January 2016 – 31 December 2016, the Entrepreneur Relief rate is 20%.

Capital Acquisitions Tax Rates and Tax Free Thresholds

Capital Acquisitions Tax Rates

Date	Threshold amount	Excess over threshold amount
06/12/2016 onwards	NIL	33%

Capital Acquisitions Tax Thresholds

Relationship to disponent / testator	Gift or inheritance taken on or after 12 October 2016
Group A	€310,000
Group B	€32,500
Group C:	€16,250

Group A:

- Child
- Child of a civil partner of the disponent
- Minor child of a deceased child
- Adopted child
- Foster child of the disponent (subject to certain conditions)
- Spouse of a deceased child
- Minor child of the civil partner of a deceased child
- Inheritances taken by the parent of a deceased child where the interest is not a limited interest and taken on death of the child

Group B:

- Lineal ancestor
- Lineal descendant (other than those included in Group A),
- Brother, sister, child of brother or sister,
- Child of the civil partner of a brother or sister

Group C:

- Any person to whom the disponent / testator is not related to as outlined in either Group A or Group B.

Stamp duty rates

Residential Property

Consideration / Property value	Rate of Duty
First €1,000,000	1%
Excess over €1,000,000	2%

Commercial and other property

A stamp duty rate of 2% applies to all transfers of non-residential property, not otherwise exempt from duty.

Stocks and shares

Instruments (i.e. written documents such as stock transfer forms) that convey or transfer ownership of stocks (including shares) and marketable securities, including interests in such stocks and marketable securities, are chargeable to stamp duty if they are executed (e.g. signed/sealed) in Ireland or, if executed outside Ireland, they relate to property situated within Ireland or something done or to be done in Ireland.

Documents transferring stocks and marketable securities are chargeable at a rate of 1% of the amount or value of the consideration paid unless the consideration is €1,000 or less, in which case the instrument is exempt from duty.

VAT Rates and Thresholds

VAT Rates for 2017

Standard Rate	23%
Lower Rate	13.5%
Second Lower Rate	9%
Flat rate for Unregistered Farmers	5.4%
Zero Rate	0%

Certain goods and services are exempt from VAT e.g. all pre-school education facilities, most banking services, insurance services, medical services, postal services, funeral undertaking, passenger transport, promotion of and admission to live theatrical performances.

VAT Registration Thresholds

Person supplying services	€37,500
Person supplying goods	€75,000
Person making intra-Community acquisitions only & reverse-charge VAT	€41,000
Persons making mail order or distance sales into the State	€35,000

- For supplies in the State and intra-Community acquisitions, VAT registration is compulsory where the relevant turnover threshold is exceeded or is likely to be exceeded in any 12-month period.
- The distance sales threshold is based on a calendar year.
- There is no VAT registration threshold in respect of the receipt of cross-border services by a person for business purposes.

Cash receipts basis thresholds

A person making supplies has the option to account for VAT on the basis of cash received in a VAT period rather than on the basis of invoices issued (i.e. sales), where:

- At least 90% of the supplier's turnover is derived from taxable sales to unregistered person, or
- The total consideration which the supplier is entitled to receive in respect of his/ her taxable sales has not exceeded and is not likely to exceed €2 million in any continuous 12 month period.

The cash receipts basis is not available where a discount is given to a customer after the suppliers issues a VAT invoice where no credit note has been issued in respect of the discount i.e. the supplier is liable to VAT on the full invoiced amount and not on the amount received.

Deposit Interest Retention Tax (DIRT)

- DIRT on interest paid on or after 1 January 2017 – 39% (previously 41%)
- DIRT for exit taxes on financial products – 41%

Local Property Tax

Local Property Tax (LPT) applies to residential properties and not commercial properties. A summary of the LPT calculations for 2017 is as follows:

Property Valuation Band Range (€)	Mid-point (€)	Rate	Tax (€)
0 – 100,000	50,000	0.18%	90
100,001 – 150,000	125,000	0.18%	225
150,001 – 200,000	175,000	0.18%	315
200,001 – 250,000	225,000	0.18%	405
250,001 – 300,000	275,000	0.18%	495
300,001 – 350,000	325,000	0.18%	585
350,001 – 400,000	375,000	0.18%	675
400,001 – 450,000	425,000	0.18%	765
450,001 – 500,000	475,000	0.18%	855
500,001 – 550,000	525,000	0.18%	945
550,001 – 600,000	575,000	0.18%	1,035
600,001 – 650,000	625,000	0.18%	1,125
650,001 – 700,000	675,000	0.18%	1,215
700,001 – 750,000	725,000	0.18%	1,305
750,001 – 800,000	775,000	0.18%	1,395

800,001 – 850,000	825,000	0.18%	1,485
850,001 – 900,000	875,000	0.18%	1,575
900,001 – 950,000	925,000	0.18%	1,665
950,001 – 1,000,000	975,000	0.18%	1,755

Residential properties valued over €1,000,000 are assessed on the actual value at 0.18% on the first €1,000,000 and at 25% on the portion of the value above €1,000,000.

Local authorities can vary the 0.18% rate upwards or downwards on residential properties in their administrative areas by an adjustment factor of up to 15%.

Disclaimer

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