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## BUSINESS TAX

### CORPORATION TAX

- An effective Corporation Tax rate of 15% will apply to companies with turnover of more than €750 million. For companies with turnover less than €750 million the 12.5% rate of Corporation Tax remains.
- The Finance Act will introduce interest limitation and anti-reverse-hybrid rules in line with the Anti-Tax Avoidance Directive (ATAD).

### BUSINESS SUPPORTS

- The reduced rate of 9% VAT for the hospitality sector will remain in place to the end of August 2022.
- The Employment Wage Subsidy Scheme (EWSS) will be extended to 30 April 2022 with some graduated amendments. The following are the broad parameters of this extension:
  - No changes to EWSS for the months of October and November 2021.
  - Businesses availing of the EWSS on the 31 December 2021 will continue to be supported until 30 April 2022.
  - Across December 2021, January and February 2022 a two-rate structure of €151.50 and €203 will apply.
  - For March and April 2022, the final 2 months of the scheme, a flat rate subsidy of €100 will be put in place. The reduced rate of employers PRSI will no longer apply for these 2 months.
  - The scheme will close to new employers from 1 January 2022.
- A new refundable tax credit for the digital gaming sector is being introduced. This relief will be available at a rate of 32% on eligible expenditure of up to a maximum of €25 million per project.
- An extension of Corporation Tax relief for certain start-up companies was announced. The relief is extended to 5 years instead of 3 years and is linked to employer PRSI payments.
- The relief for pre-letting expenses for landlords capped at €5,000 per premises is extended for a further 3 years to 2024.
- The accelerated capital allowances scheme for gas vehicles and refuelling equipment is being extended for a further 3 years and will now include hydrogen powered vehicles and refuelling equipment.
- Equipment directly operated by fossil fuels will now be prohibited from qualifying for the accelerated capital allowances for the energy efficient equipment scheme.
- The Employment Investment Incentive Scheme (EIIS) scheme is extended for a further 3 years. It has been modified to include a wider range of investment funds and some easing of the rules has also been announced.
- The tax debt warehousing scheme will be expanded to allow self-assessed income taxpayers, with employment income from a company in which they have a material interest, to warehouse their tax liability relating to their employment income from that company.



## 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 2022 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.
- An income tax deduction for remote workers amounting to 30% of vouched expenses for heat, electricity and broadband in respect of those costs incurred while working from home has been announced.
- The BIK exemption for a battery electric vehicle (BEV) is being extended to 2025 with tapering measures to take effect from 2023.

### TAX CREDITS/BANDS

- The Standard Rate Band is being increased by €1,500.
- The Minister has increased the Personal Tax credit, Employee Tax Credit and the Earned Income Credit by €50.

### HELP TO BUY SCHEME (HTB)

- For 2022 the scheme is being continued at the current rates. A full review of the scheme will be carried out during 2022.

## FARMERS TAX

### FARMERS TAX

- The farmers flat rate VAT scheme is being reduced from 5.6% to 5.5% with effect from 1 January 2022.
- The young trained farmer (Stamp Duty) relief is to be extended to the end of 2022.
- General stock relief will continue to the end of 2024.
- Stock relief applicable to young trained farmers (100%) and registered farm partnerships (50%) has also been extended for 1 year.

# Budget Highlights 2022

## MISCELLANEOUS

### EXCISE DUTIES

- Excise Duty on a packet of 20 cigarettes is being increased by 50c with a pro rata increase on the other tobacco products. This measure will take effect from midnight on 12 October 2021.

### VEHICLE REGISTRATION TAX

- A revised VRT table is being introduced for 2022. The 20 band table will remain with an increase of 1% in bands 9-12, 2% in bands 13-15 and 4% in bands 16-20.
- The €5,000 relief for a battery electric vehicle (BEV) is being extended to the end of 2023.

### MINIMUM WAGE

- The minimum wage rate is to be increased by 30c to €10.50 per hour.

### OTHER TAX HEADS

- No changes were announced to Capital Gains Tax, Capital Acquisitions Tax and Stamp Duty.

### COMMERCIAL RATES

- A commercial rates waiver for the final quarter of 2021 in respect of the hospitality, arts and certain tourism sectors was announced.

### ZONED LAND TAX

- A new tax (Zoned Land Tax) at a rate of 3% of the market value of residential zoned and serviced development land is being proposed.

### CARBON TAX

- The rate of carbon tax will increase by €7.50 from €33.50 to €41.00 per tonne of carbon dioxide emitted. This applies from midnight 12 October 2021 for auto fuels and from 1 May 2022 for all other fuels.

### FAMILY SUPPORTS

- The weekly rate for the qualified child payment will increase by €2.00 per week in respect of under 12's and €3.00 per week in respect of over 12's.
- Parents benefit is being extended by 2 weeks to 7 weeks from July 2022.
- An increase in the weekly old age pension of €5 was announced.
- An extension of free GP care to children aged 6 and 7 years was announced with an intention to extend to children up to age 12 in the future.
- The drug payment scheme threshold is to be reduced to €100.
- A youth travel card is being introduced for individuals between the ages of 19 and 23 to allow them to avail of a 50% discount on fares across the transport network.

## TAX CREDITS FOR TAX YEAR 2022

	2022 €	2021 €		2022 €	2021 €
<b>PERSONAL</b>					
Single	1,700	1,650	<b>INCAPACITATED CHILD</b>	3,300	3,300
Married	3,400	3,300			
Widowed Person	2,190	2,190	<b>DEPENDANT RELATIVE</b>	245	245
Single Person Child Carer	1,650	1,650			
Home Carer Credit	1,600	1,600	<b>BLIND PERSON</b>		
			Single / Married	1,650	1,650
			Married (both blind)	3,300	3,300
Earned Income Credit*	1,700	1,650	<b>FISHER TAX CREDIT</b>	1,270	1,270
<b>PAYE</b>	1,700	1,650			
<b>WIDOWED PARENT BEREAVEMENT</b>			<b>AGE CREDIT</b>		
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 individual entitled to a PAYE credit.

## INCOME TAX RATES

<b>SINGLE PERSONS</b> <b>2022</b>	<b>MARRIED PERSONS</b> <b>2022</b> <b>(Two Incomes)</b>
20% First €36,800	20% First €73,600**
40% Balance	40% Balance
<b>LONE PARENT</b>	<b>(One Income)</b>
20% First €40,800	20% First €45,800
40% Balance	40% Balance

## INCOME TAX EXEMPTION LIMITS

	2022 €	2021 €
Single or Widowed 65 years or over	18,000	18,000
Married Couples 65 years or over	36,000	36,000

\*\* Transferable between spouses up to a maximum of €45,800 for any one spouse.  
Subject to confirmation in Finance Act

## UNIVERSAL SOCIAL CHARGE

### EMPLOYEES & SELF-EMPLOYED

	2022	2021
	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 €21,295	2.00% on €12,013 to €20,687
	4.50% on €21,296 to €70,044	4.50% on €20,688 to €70,044
	8.00% on €70,045 to €100,000	8.00% on €70,045 to €100,000
<b>PAYE INCOME</b>	8.00% on excess over €100,000	8.00% on excess over €100,000
<b>SELF-EMPLOYED</b>	11.00% on excess over €100,000	11.00% on excess over €100,000

## PRSI

EMPLOYER	2022	2021
Contribution for Class A		
PRSI	10.05%	10.05%
Training Levy	<u>1.00%</u>	<u>1.00%</u>
Total for Employer	11.05% on all income	11.05% on all income
	8.8% on earnings less than €410 p.w.	8.8% on earnings less than €398 p.w.
<b>EMPLOYEE</b>		
PRSI	*4.00% on all income	*4.00% on all income
<b>SELF-EMPLOYED / DIRECTORS CONTRIBUTIONS</b>		
PRSI	**4.00% on all income	**4.00% on all income

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

\*\*4.00% subject to minimum payment of €500.

*As this release is intended as a general guide to the subject matter, it should not be used as a basis for decisions. For this purpose advice should be obtained which takes into account all the client's circumstances. Every effort has been made to ensure the accuracy of the information in the release. In view of its purpose the reader will appreciate that we are unable to accept liability for any errors or omissions which may arise.*