

Ready Reckoner - Pre Budget 2021

This Version: August 2020

Ready Reckoners are provided for the following taxes and duties:

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Please note: The costings shown are based on revised tax forecasts (April 2020). They are tentative costings and likely to be revised as further information becomes available particularly in the current economic climate.

Unless otherwise indicated, costings assume no behavioural change.

In the case of large relative changes to tax rates or allowances, the cost or yield may not be directly in line with estimates shown.

Every reasonable effort has been made to ensure that the information provided is as accurate and clear as possible.

Revenue's Statistics webpage: <http://www.revenue.ie/en/corporate/information-about-revenue/statistics/index.aspx>

Email: statistics@revenue.ie

Income Tax & Universal Social Charge

These following costs / yields are based on 2021 estimates from the Revenue tax forecasting model using latest actual data for the year 2018, adjusted as necessary for income, self-employment and employment trends in the interim. The Income Tax figures do not take into account the effect of the Earned Income Credit, unless otherwise stated.

The Income Tax & Universal Social Charge (USC) Ready Reckoner covers the following:

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Revenue Ready Reckoner

Income earners by Income Tax and USC rates in 2021

		Number of Taxpayer Units**	% of Taxpayer Units
Income Tax*	Higher rate (40%)	473,800	18
	Standard rate (20%)	1,178,100	45
	Exempt	962,100	37
USC*	8% rate	200,200	8
	4.5% rate	1,113,200	43
	2% rate	528,500	20
	Exempt	772,200	30
Paying neither Income Tax or USC		772,200	30
Total income earners		2,614,100	

*Shows the breakdown by the highest rate of Income Tax and USC paid by taxpayer unit.

**Married persons or civil partners who have elected or who have been deemed to have elected for joint assessment are counted as one tax unit.

Revenue Ready Reckoner

Income earners by gross income range in 2021

Range of Income €		Number of Taxpayer Units*	€ Million Income	€ Million Tax+USC
0	10,000	460,930	2,085	0.4
10,000	13,000	131,448	1,513	0.7
13,000	15,000	93,538	1,310	9
15,000	18,000	140,984	2,327	27
18,000	20,000	95,123	1,807	51
20,000	25,000	231,533	5,208	258
25,000	27,000	93,178	2,424	152
27,000	30,000	130,047	3,704	269
30,000	35,000	196,887	6,393	554
35,000	40,000	169,323	6,330	654
40,000	50,000	239,353	10,697	1,420
50,000	60,000	166,307	9,099	1,488
60,000	70,000	118,670	7,686	1,411
70,000	75,000	47,163	3,417	670
75,000	80,000	39,327	3,045	627
80,000	90,000	60,614	5,137	1,138
90,000	100,000	44,418	4,208	1,020
100,000	150,000	98,697	11,763	3,319
150,000	200,000	27,441	4,681	1,581
200,000	275,000	14,366	3,319	1,245
Over	275,000	14,707	7,981	3,429
Total		2,614,054	104,134	19,324

*Married persons or civil partners who have elected or who have been deemed to have elected for joint assessment are counted as one tax unit.

Revenue Ready Reckoner

Increases and decreases to Income Tax and USC rates

		€ Million	
		First Year	Full Year
Cost of 1% point decrease in Income Tax rates	20% rate	-528	-608
	40% rate	-230	-276
Yield from 1% point increase in Income Tax rates	20% rate	532	613
	40% rate	229	275
Yield from introduction of 3rd rate of Income Tax of 41%	Earnings over 80,000	91	116
	Earnings over 100,000	70	90
	Earnings over 120,000	58	75
Yield from introduction of 3rd rate of Income Tax of 43%	Earnings over 80,000	274	347
	Earnings over 100,000	211	271
	Earnings over 120,000	173	224
Cost of decrease in USC rates	Decrease 0.5% rate to 0%	-110	-127
	Decrease 2% rate to 1%*	-160	-185
	Decrease 4.5% to 3.5%	-293	-340
	Decrease 8% rate to 7%**	-110	-139
Yield from increase in USC rates	Increase 0.5% rate to 1.5%	220	254
	Increase 2% rate to 3%*	160	185
	Increase 4.5% rate to 5.5%	293	340
	Increase 8% rate to 9%**	110	139

*Includes the reduced rate USC for Medical Card holders.

**Includes those paying the 3% (11% effective rate) surcharge on non-PAYE income exceeding €100,000 in a year.

Revenue Ready Reckoner

Cost of increasing Income Tax credits

		€ Million	
		First Year	Full Year
Increase Single Persons Credit by €100	From €1,650 to €1,750	79	90
Increase Married or in a Civil Partnership Credit by €200	From €3,300 to €3,500	114	132
Increase Widowed Person or surviving Civil Partner (without qualifying child) Credit by €100	From €2,190 to €2,290	6	6.7
Increase Single Person Child Carer Tax Credit by €100	From €1,650 to €1,750	2.8	3
Increase PAYE Credit by €50	From €1,650 to €1,700	83	94
Increase Earned Income Credit by €50	From €1,500 to €1,550	4.5	8
Increase Earned Income Credit by €150	From €1,500 to €1,650	13	24
Increase Home Carer's Credit by €50	From €1,600 to €1,650	3.3	3.8
Increase Dependent Relative Credit by €20	From €70 to €90	1.1	1.2
Increase Incapacitated Child Credit by €100	From €3,300 to €3,400	1.7	2
Increase Blind Persons Credit (incl. Guide Dog)		0.5	0.6
By €500 for single person	From €1,650 to €2,150		
By €1,000 for both spouses/civil partners blind	From €3,300 to €4,300		
Increase Widowed Parent or surviving Civil Partner Bereavement Credit by €100		0.2	0.2
Increase Age Credit		21	24
By €50 for single/widow/surviving Civil Partner	From €245 to €295		
By €100 for married/civil partners	From €490 to €590		

Cost of widening of Income Tax standard rate bands

Single & Widowed or surviving Civil Partner - Current Band €35,300			
Band Increase	Revised Band	€ Million First Year Cost	€ Million Full Year Cost
€100	€35,400	6.7	7.6
€500	€35,800	33	38
€1,000	€36,300	65	74
€1,500	€36,800	96	110

Married or in a Civil Partnership, one Spouse or Civil Partner with Income - Current Band €44,300			
Band Increase	Revised Band	€ Million First Year Cost	€ Million Full Year Cost
€100	€44,400	2.3	2.7
€500	€44,800	11	14
€1,000	€45,300	23	27
€1,500	€45,800	34	40

Married or in a Civil Partnership, both Spouses or Civil Partners with Income - Current Bands €44,300 for Major Earner and €26,300 for Minor Earner				
Band Increase	Revised Band Major Earner	Revised Band Minor Earner	€ Million First Year Cost	€ Million Full Year Cost
€100	€44,400	€26,400	6.4	7.3
€500	€44,800	€26,800	32	36
€1,000	€45,300	€27,300	63	72
€1,500	€45,800	€27,800	93	107

Total Cost of Band Widening		
Band Increase	€ Million First Year Cost	€ Million Full Year Cost
€100	15	18
€500	76	88
€1,000	150	173
€1,500	223	257

Assumes the maximum allowable transferability of €9,000 across the board.

Revenue Ready Reckoner

Cost of increasing USC rate bands

		€ Million	
		First Year	Full Year
Income under €13,000 is exempt	Increase by €100 to €13,100	0.4	0.5
	Increase by €500 to €13,500	2.1	2.4
	Increase by €1,000 to €14,000	4.3	5.1
	Increase by €1,500 to €14,500	6.8	7.9
First €12,012 is charged at 0.5% *	Increase by €100 to €12,112	3.4	4
	Increase by €500 to €12,512	14	17
	Increase by €1,000 to €13,012	28	32
	Increase by €1,500 to €13,512	42	48
From €12,013 to €20,484 is charged at 2% *	Increase by €100 to €12,113 and €20,584	6.3	7.2
	Increase by €500 to €12,513 and €20,984	30	35
	Increase by €1,000 to €13,013 and €21,484	60	69
	Increase by €1,500 to €13,513 and €21,984	89	103
From €20,485 to €70,044 is charged at 4.5% *	Increase by €100 to €20,585 and €70,144	4.4	5.1
	Increase by €500 to €20,985 and €70,544	20	23
	Increase by €1,000 to €21,485 and €71,044	39	45
	Increase by €1,500 to €21,985 and €71,544	58	68
Above €70,045 is charged at 8%*	Increase by €500 to €70,544	3.4	4.1
	Increase by €1,000 to €71,044	6.7	7.9
	Increase by €2,000 to €72,044	13	16
	Increase by €5,000 to €75,044	31	37

*The €13,000 exemption threshold remains unchanged for the USC rate band increases.

Revenue Ready Reckoner

Cost of increasing Income Tax exemption limits

		€ Million	
		First Year	Full Year
Aged 65 and over	By €100 for single/widow/surviving civil partner and by €200 for married/civil partnership	2.6	3.0
	By €300 for single/widow/surviving civil partner and by €600 for married/civil partnership	8.0	9.2
Child addition	Increase limit by €100 per child (all children)	0.1	0.1
	Increase limit by €300 per child (all children)	0.2	0.3

Revenue Ready Reckoner

Cost of Indexation

		€ Million	
		First Year	Full Year
Indexation at 1%	Personal Tax Credits (incl Home Carer's Credit) with rate bands	93	108
	Exemption limits, Personal Tax Credits with rate bands	97	112
	PAYE Credit, Exemption limits, Personal Tax Credits with rate bands	125	144
	Earned Income Credit	1	2
	USC rate bands and exemption limits	16	19

Revenue Ready Reckoner

Changes to Income Tax relief on pensions

Cost of decreasing/increasing the ceiling for occupational pension schemes, RACs and PRSAs and / or reducing the marginal effective rate applicable to these reliefs.

Ceiling	€ Million	Rate					
		40%	39%	34%	33%	30%	20%
	€200,000	-32	-11	97	118	183	398
	€150,000	-23	-2	105	126	190	402
	€120,000	-10	11	116	137	200	409
	€115,000	0*	21	124	145	207	414
	€110,000	11	32	134	154	215	419
	€105,000	23	43	144	164	224	425
	€100,000	36	56	155	175	234	432
	€95,000	50	70	167	186	245	439
	€90,000	65	84	179	199	256	446
	€85,000	81	100	193	212	268	454
	€80,000	98	117	208	226	281	463
	€75,000	117	135	224	241	295	472
	€70,000	138	155	241	258	310	483
	€65,000	160	176	260	277	327	494
	€60,000	184	200	280	296	345	506

*Current rate and ceiling.

Deposit Interest Retention Tax (DIRT)

		€ Million Full Year
Reduction in the standard rate of DIRT	From 33% to 31%	-3
	From 33% to 29%	-7
	From 33% to 27%	-10
Increase in the standard rate of DIRT	From 33% to 35%	3
	From 33% to 37%	7
	From 33% to 39%	10

Life Assurance Exit Tax (LAET)

		€ Million Full Year
Post Budget 2020		
Reduction in the standard rate of LAET	From 41% to 40%	-3
	From 41% to 38%	-8
	From 41% to 35%	-17
	From 41% to 33%	-22
Increase in the standard rate of LAET	From 41% to 42%	3
	From 41% to 44%	8
	From 41% to 47%	17
	From 41% to 49%	22

Capital Gains Tax (CGT)

		€ Million Full Year
Reduction in the CGT rate	From 33% to 32%	-32
	From 33% to 31%	-65
	From 33% to 28%	-162
Increase in the CGT rate	From 33% to 34%	32
	From 33% to 35%	65
	From 33% to 38%	162

Entrepreneur Relief (Section 597AA)

Cost of increasing lifetime limit (currently €1 million) The costs shown below use information in the latest capital gains tax returns and therefore do not include any cost associated with assets held by individuals and not disposed of in the year

Proposed Lifetime Limit € Million	€ Million Full Year
2.5	34
5	61
7.5	75
10	81
12.5	83
15	84

Capital Acquisitions Tax (CAT)

The CAT Ready Reckoner covers the following:

Changes in CAT Rates, Thresholds or Reliefs
Simultaneous Change in CAT Rate and Thresholds

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Effects of Changes in CAT Rates, Thresholds or Reliefs

		€ Million Full Year
Reduction in the CAT rate	From 33% to 32%	-14
	From 33% to 30%	-41
	From 33% to 28%	-68
	From 33% to 23%	-136
Increase in the CAT rate	From 33% to 43%	136
	From 33% to 38%	68
	From 33% to 36%	41
	From 33% to 34%	14
Reduce Agricultural Relief	From 90% to 80%	8
	From 90% to 70%	20
	From 90% to 60%	36
	From 90% to 50%	53
Reduce Business Relief	From 90% to 80%	18
	From 90% to 70%	38
	From 90% to 60%	60
	From 90% to 50%	82

Thresholds are currently €335,000 for Category A, €32,500 for Category B and €16,250 for Category C.

Effect of Simultaneous Change in CAT Rate and Thresholds

The estimated cost of any given increase in thresholds and simultaneous decrease in rate does not result in an equivalent estimated yield for an equal decrease in thresholds and simultaneous increase in rate. This is due to the interaction of the rate with differing thresholds in each of the three categories. All figures shown are for the full year.

		Category A (Children)							
		302,000	318,000	325,000	332,000	335,000	338,000	345,000	369,000
43%		86	70	63	56	53	50	44	26
38%		55	41	35	29	27	24	19	2
36%		43	30	24	18	16	14	8	-7
34%		31	19	13	8	5	3	-2	-16
33%		25	13	8	2	*	-2	-7	-21
32%		19	7	2	-3	-5	-7	-12	-26
30%		7	-4	-9	-14	-16	-18	-22	-35
28%		-5	-16	-20	-25	-27	-28	-32	-44
23%		-36	-44	-48	-51	-52	-55	-58	-68

*Current rate and threshold

		Category B (Family Relationship)							
		29,300	30,900	31,500	32,200	32,500	32,800	33,500	35,800
43%		75	69	67	64	63	62	60	52
38%		42	37	35	33	32	31	54	22
36%		28	24	22	20	19	18	16	10
34%		15	11	9	7	6	5	4	-3
33%		9	4	3	1	*	-1	-3	-8
32%		2	-2	-4	-5	-6	-7	-9	-15
30%		-11	-15	-16	-18	-19	-20	-21	-27
28%		-24	-28	-29	-31	-32	-32	-34	-39
23%		-57	-60	-61	-63	-63	-64	-65	-69

*Current rate and threshold

Revenue Ready Reckoner

Category C (Other Relationships not covered by A or B)								
	14,600	15,500	15,700	16,100	16,250	16,400	16,700	17,900
43%	22	21	21	20	20	20	19	18
38%	12	11	11	10	10	10	9	8
36%	8	7	7	6	6	6	5	4
34%	4	3	3	2	2	2	1	Negligible
33%	2	1	1	Negligible	*	Negligible	-1	-2
32%	Negligible	-1	-1	-2	-2	-2	-2	-4
30%	-4	-5	-5	-6	-6	-6	-6	-8
28%	-8	-9	-10	-10	-10	-10	-10	-11
23%	-19	-19	-20	-20	-20	-20	-20	-21

*Current rate and threshold

Revenue Ready Reckoner

Stamp Duty

	€ Million Full Year	
Residential Property***	Increase Stamp Duty to 1.5% on consideration below €1,000,000	61
	Decrease Stamp Duty to 0.5% on consideration below €1,000,000	-61
	Increase Stamp Duty to 2.5% on excess above €1,000,000	5
	Increase Stamp Duty to 3% on excess above €1,000,000	9
	Increase Stamp Duty to 4% on excess above €1,000,000	18
	Increase Stamp Duty to 5% on excess above €1,000,000	27
	Decrease Stamp Duty to 1.5% on excess above €1,000,000	-5
	Decrease Stamp Duty to 1.0% on excess above €1,000,000	-9
	Decrease Stamp Duty to 0.5% on excess above €1,000,000	-14
	Abolish Stamp Duty on excess above €1,000,000	-18
	Increase Stamp Duty to 2% on excess above €700,000	7
	Increase Stamp Duty to 2% on excess above €800,000	4
Increase Stamp Duty to 2% on excess above €900,000	2	
Non-Residential Property	Increase Stamp Duty by 0.5% to 8%	31
	Decrease Stamp Duty by 0.5% to 7%	-31
	Increase Stamp Duty to 8.5% on excess above €500,000	54
	Increase Stamp Duty to 8.5% on excess above €700,000	53
	Increase Stamp Duty to 8.5% on excess above €800,000	52
Shares*	Increase the rate to 1.1%	35
	Decrease the rate to 0.9%	-35
Cheques & Financial Cards	Increase Stamp Duty on business cheques by 100%	8
	Increase Stamp Duty on personal cheques by 100%	4
	Abolishing duty on credit cards	-38
	10% increase in the Stamp Duty on credit cards	4
	10% decrease in the Stamp Duty on credit cards	-4
	Abolishing duty on cash cards**	-17
	10% increase in the Stamp Duty on cash cards**	2
10% decrease in the Stamp Duty on cash cards**	-2	

*Current rate of Stamp Duty on shares is 1%. **Includes ATM cards, debit cards and combined ATM/debit cards. ***Stamp Duty on residential property is currently 1% on consideration below €1 million and 2% on any excess.

Excise

The Excise Ready Reckoner covers the following:

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Alcohol Products Tax	Page 22
Tobacco Products Tax	Page 23
Betting Duty	Page 24

Revenue Ready Reckoner

Mineral Oil Tax

		€ Million
		Full Year
Unleaded petrol (per litre)	Increase by 1 cent	9
	Increase by 3 cent	26
	Increase by 5 cent	43
	Increase by 10 cent	85
Auto diesel (per litre)	Increase by 1 cent	28
	Increase by 3 cent	83
	Increase by 5 cent	138
	Increase by 10 cent	273

Estimate are inclusive of VAT.

Equalising the Excise rates applied on diesel to those applied on petrol would raise €360 million (including both additional Excise & VAT) per annum.

Revenue Ready Reckoner

Carbon Tax

	€ Million Full Year
Increase by €1 a Tonne	21
Increase by €2 a Tonne	43
Increase by €3 a Tonne	64
Increase by €4 a Tonne	85
Increase by €5 a Tonne	106
Increase by €10 a Tonne	212
Increase by €20 a Tonne	422
Increase by €30 a Tonne	631
Increase by €40 a Tonne	839
Increase by €50 a Tonne	1045
Increase by €60 a Tonne	1,250
Increase by €70 a Tonne	1,454
Increase by €80 a Tonne	1,656

Estimates are inclusive of VAT.

Revenue Ready Reckoner

Alcohol Products Tax

		€ Million Full Year
Beer (per pint)	Increase by 1 cent	7
	Increase by 3 cent	20
	Increase by 5 cent	34
	Increase by 10 cent	68
Spirits (per half glass)	Increase by 1 cent	4
	Increase by 3 cent	12
	Increase by 5 cent	21
	Increase by 10 cent	41
Cider & perry (per pint)	Increase by 1 cent	1
	Increase by 3 cent	3
	Increase by 5 cent	5
	Increase by 10 cent	9
Wine (per 75 cl)	Increase by 5 cent	3
	Increase by 10 cent	6
	Increase by 25 cent	16
	Increase by 50 cent	30

Estimates are inclusive of VAT.

Tobacco Products Tax

		€ Million Full Year
Cigarettes (per pack of 20)	Increase by 5 cent	In the range from -3 to +6
	Increase by 10 cent	In the range from -7 to +11
	Increase by 25 cent	In the range from -18 to +28
	Increase by 50 cent	In the range from -39 to +55

The yield estimates include a pro-rata increase for other tobacco products

Estimated receipts of tobacco products tax use an elasticity measure to partially reflect the responsiveness (or change in behaviour) of smokers following duty and price changes. Increases in duties are forecast to lead to increases in receipts, albeit recognising that some smokers will consume less and consequently some of the increases in receipts from higher prices are negated. Further cigarette price rises, particularly at the higher end, may not increase Excise receipts and this is indicated through the use of the range of estimates above. To reflect the potential variations in consumption change in smokers, the range above is based on varying the elasticities used in the forecast calculation. The elasticities used are derived from research conducted by Revenue. Variations in receipts from tobacco in recent years suggest that the use of the range is appropriate but also that the higher end of the range is likely the most suitable to use when undertaking costings.

Betting Duty

		€ Million
		Full Year
Betting Duty Rate	Increase by 0.25%	11
	Increase by 0.5%	23
	Increase by 1%	46
	Increase by 1.5%	69
	Increase by 2%	92
	Increase by 2.5%	115
	Increase by 3%	138

Value Added Tax (VAT)

Activity by VAT Rate

	% of Activity	% of Tax Receipts
Standard rate of 21/23% applies to	52	71
Reduced rate of 13.5% applies to	35	28
Reduced rate of 9% applies to	1	0.4
Zero rate applies to	12	

Increases and Decreases to VAT Rates

		€ Million Full Year
9% Reduced Rate	1% Increase / Decrease	+/- 7
13.5% Reduced Rate	1% Increase / Decrease	+/- 286
21/23% Standard Rate	1% Increase / Decrease	+/- 430
Zero Rate Increased	0% to 5%	502
	0% to 9%	904
	0% to 21%	1357
	0% to 13.5%	2,110
	0% to 23%	2,311
Restructuring the VAT system on a target revenue-neutral basis		
Zero, 9%, 13.5% & 21/ 23% rates merged to a 16.432% rate		0
9%, 13.5% & 21/23*% rates merged to a 18.715% rate		0

*The standard rate of VAT has been temporarily reduced from 23% to 21%, beginning 1 September 2020 and ending 28 February 2021.

Local Property Tax (LPT)

	€ Million Full Year
All Local Authorities vary the central rate by -15% Local Adjustment Factor*	-72
All Local Authorities vary the central rate by +15% Local Adjustment Factor*	72
Additional charge of €100 on every property	183
Additional charge of €100 on second or more properties**	50
Additional charge of €100 on every Non Principal Private Residence***	24
Additional charge of €100 on second or more Non Principal Private Residence***	16
Cost if exclude Principal Private Residences from Local Property Tax***	430
Cost if exclude Non Principal Private Residences from Local Property Tax***	50

Estimates represent change against expected LPT yield of €485m in 2020 and exclude current LPT exempt and deferred properties.

*Compared to Local Adjustment Factors in place for 2020.

** "Second or more properties" includes properties owned by Local Authorities and approved housing bodies as well as commercial landlords.

*** Principal Primary Residence / Non Principal Primary Residence based on properties indicated as such by owners in LPT returns, non principal primary residences are mostly composed of rental properties and holiday homes.