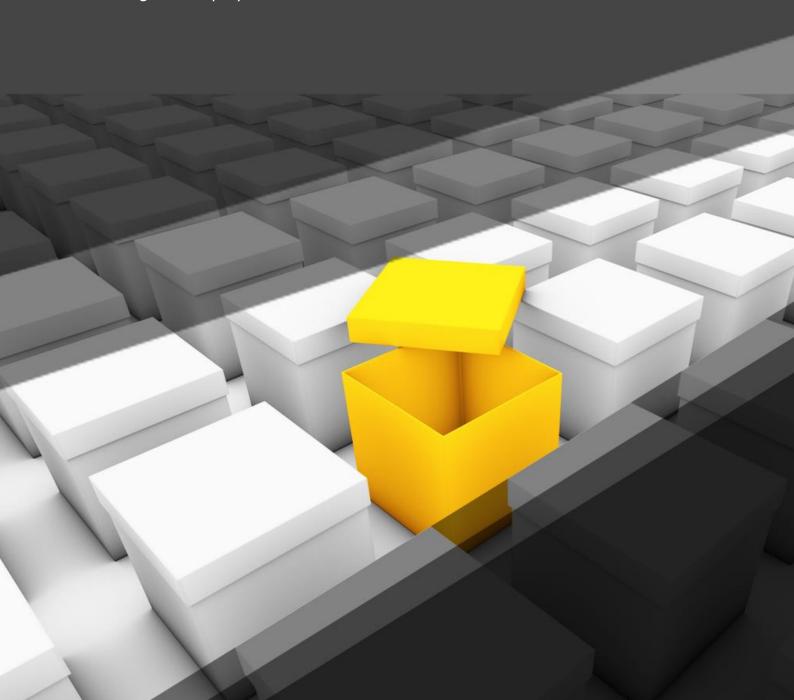
BUDGET 2020

In Summary...

- First Budget of coalition government of 33rd Dáil;
- Increase in second USC band;
- Increase of self-employed "earned income credit";
- Extension of Stamp Duty reliefs
- VAT Rate on tourism sector restored to 9% from 1 November 2020
- Changes to CGT Entrepreneur Relief
- Covid Restrictions Support Scheme introduced
- Flat rate farmer VAT rate increase
- Change to Employer PRSI band



Income Taxes

- An increase in the Earned Income Credit from €1,500 to €1,650.
- An increase in the Dependent Relative Credit from €70 to €245.
- Sea-going Naval Personnel Tax Credit to increase to €1,500 from €1,270
- The second USC band ceiling will increase €203 to €20,484 from 1 January 2021.
- The tax debt warehousing scheme will be expanded to include repayments of Temporary Wage Subsidy Scheme owed by employers, 2019 income tax balance and 2020 preliminary tax obligations for adversely affected self-assessed taxpayers.
- Extension of Help to Buy additional measures introduced on 23 July 2020 to the end of 2021

Carbon & Motor Taxes

- Carbon tax will be increased by €7.50 from €26 to €33.50 per tonne/CO2. This increase will be applied to auto fuels from tonight and all other fuels from 1 May 2021.
- A new rates table is introduced for Vehicle Registration Tax
- A new motor tax rates table is introduced for WLTP cars first registered in the State from 01/01/21

Tax Incentive Schemes

- The Accelerated Capital Allowance (ACA) scheme designed to improve energy efficiency among Irish companies and unincorporated businesses is extended until 31 December 2023
- A new Covid Restrictions Support Scheme (CRSS), aimed at businesses which have either been prohibited in operating or only been able to trade at significantly reduced levels as a result of restrictions imposed on them in response to Covid-19 was announced. Qualifying businesses can apply to Revenue for a cash payment, representing an advance credit for trading expenses that are deductible for income and/or corporation tax purposes ("ACTE") for the period of restrictions resulting in operations being prohibited / reduction in activities effective from 13 October. Payments will be calculated on the basis of 10% of the first €1m in turnover and 5% thereafter, based on average VAT exclusive turnover for 2019, and will be subject to a maximum weekly payment of €5,000. The Scheme will generally apply when Level 3 or higher restrictions are imposed in line with the Plan for Living with Covid-19 is. It will run from Budget day until 31 March 2021. It will be brought into effect by Finance Bill 2020.
- An extension of the Knowledge Development Box was announced
- Work will take place in 2021 on the development of a tax credit for the digital gaming sector



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VAT

• VAT on Tourism and Hospitality related services and goods currently applying at 13.5% will decrease to 9% from 1 November 2020 for a defined period of time to 31 December 2021

Farming

- The flat-rate scheme which compensates un-registered farmers on an overall basis for VAT incurred on their farming inputs is increasing from the current 5.4% to 5.6% for the year 2021.
- Farm Consolidation (Stamp Duty) Relief is being extended from its current expiry date of 31 December 2020 to 31 December 2022.

Excise

• Increase in 50c on pack of 20 cigarettes with pro-rata increase on other tobacco products.

Employer's PRSI

• From 1 January 2021 the weekly income threshold for the higher rate of employer's PRSI will increase from €394 to €398.

Capital Gains Tax

• Amend the holding requirement under the CGT Entrepreneur Relief so that an individual that held at least 5% of the shares for a continuous period of any three years qualifies, all other qualifying criteria remain unchanged. This measure will come into effect 1 January 2021.

Stamp Duty

• Consanguinity Relief is being extended from its current expiry date of 31 December 2020, to 31 December 2023



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