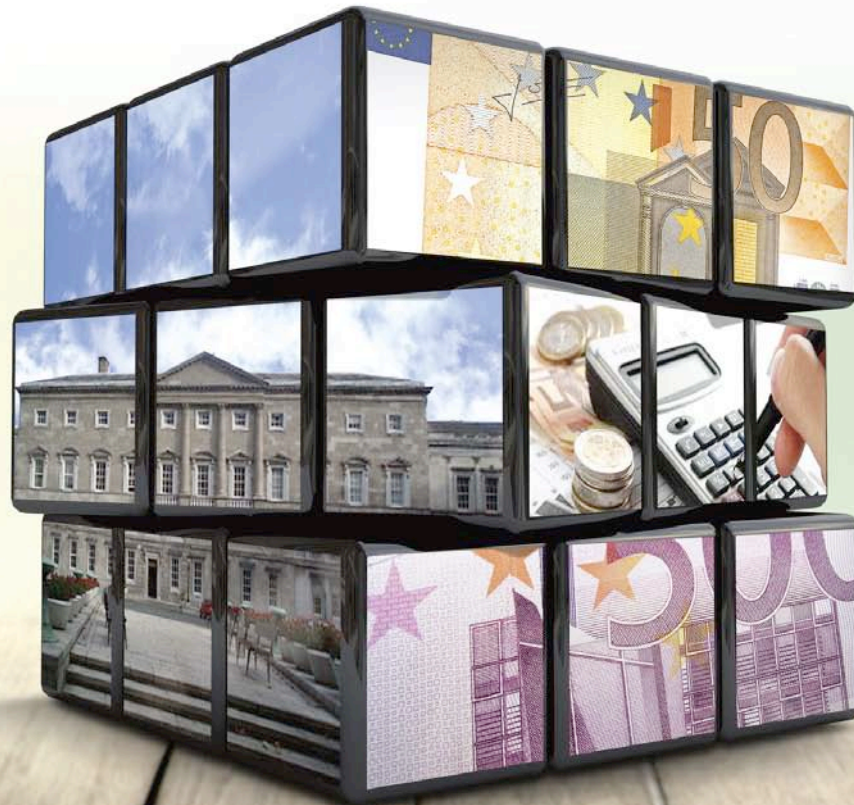


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BUDGET HIGHLIGHTS 2015



PERSONAL TAX

INCOME TAX

- The marginal rate of Income Tax is being reduced from 41% to 40% effective 1 January 2015.
- The exemption limits, tax credits and standard rate bands applicable for the tax year 2015 are set out in detail under the Personal Tax Facts section.

UNIVERSAL SOCIAL CHARGE

- A number of significant changes have been made to the rates, bands and thresholds for USC which are set out in detail under the Personal Tax Facts section.
- The rate of USC for medical card holders whose aggregate income does not exceed €60,000 will now be at a maximum rate of 3.5%.
- Individuals aged 70 years and over whose aggregate income is €60,000 or less will pay a maximum rate of 3.5%.

WATER CHARGES

- Tax relief at 20% will be provided on Water Charges, up to a maximum of €500 per annum.
- Tax relief will be paid in arrears.

FIRST TIME BUYERS DIRT RELIEF

- A refund of DIRT on interest on savings (up to a maximum of 20% of the house purchase price) used by first time house buyers towards the deposit on a home is being introduced.

RENT-A-ROOM RELIEF

- The threshold for exempt income under the Rent-A-Room Scheme is being increased to €12,000 per annum.

SEED CAPITAL SCHEME (SURE)

- The Seed Capital Scheme is being rebranded as Start-Up Relief for Entrepreneurs and being extended to individuals who have been unemployed up to two years.

ARTISTS' EXEMPTION

- The threshold for the Artists' Exemption is being increased by €10,000 to €50,000.
- The exemption is also being extended to non-resident artists (i.e. to individuals who are resident or ordinarily resident in another Member State or in another EEA State).

FOREIGN EARNINGS DEDUCTION

- Foreign Earnings Deduction is being extended for a further three years until the end of 2017 and qualifying countries are being extended to include Chile, Mexico and certain countries in the Middle East and Asia.
- The number of qualifying days abroad is being reduced from 60 to 40, the minimum stay in a country is reduced to 3 days and travelling time is being included as time spent abroad.

HOME RENOVATION INCENTIVE

- The Home Renovation Incentive is being extended to include rental properties owned by landlords liable to Income Tax.

BUSINESS TAX

CORPORATION TAX RATE

- The Minister reiterated in his Budget speech that the 12.5% Corporation Tax rate will remain in place indefinitely.

DOUBLE IRISH STRUCTURE

- The ability of companies to use the Double Irish Structure is being abolished by changing the Irish residency rules to require all companies registered in Ireland to also be tax resident. This change will take effect from the 1 January 2015 for new companies. For existing companies there will be provision for a transition period until the end of 2020.

START-UP COMPANIES

- This measure provides relief from Corporation Tax on trading income (and certain Capital Gains) of new start-up companies in the first 3 years of trading. This relief is being extended to new business start-ups in 2015.

VAT

- The 9% VAT rate on tourism related activities is being retained.
- From the 1 January 2015, cross-border EU telecommunications, broadcasting and electronically supplied services will be charged to VAT in the Member State of the consumer and not the supplier.

RESEARCH & DEVELOPMENT TAX CREDIT

- The 25% tax credit applies to the amount of qualifying R&D expenditure incurred by a company in a given year that is in excess of the amount spent in 2003. This 2003 base year restriction is being removed from the 1 January 2015.

ACCELERATED CAPITAL ALLOWANCES FOR ENERGY EFFICIENT EQUIPMENT

- These allowances which were due to expire at the end of 2014 are being extended until the end of 2017 to incentivise companies to invest in energy efficient equipment.

EMPLOYMENT INVESTMENT INCENTIVE

- The amount raised by a company under the Employment Investment Incentive is increased to €5 million annually subject to a lifetime maximum of €15 million.
- Investment in the management and operation of nursing homes, medium sized enterprises in non-assisted areas and internationally traded financial services that are certified by Enterprise Ireland will now qualify under this scheme.
- The holding period for shares is being increased from 3 years to 4 years.
- The inclusion of hotels, guesthouses and self-catering accommodation in this scheme is extended by a further 3 years.

CAPITAL TAX

PROPERTY PURCHASE INCENTIVE

- The incentive relief from CGT (in respect of the first 7 years of ownership) for properties purchased between 7 December 2011 and 31 December 2014 is not being extended beyond 31 December 2014.

WINDFALL TAX

- Windfall Tax provisions introduced in 2009 which apply an 80% rate of Capital Gains Tax to certain profits or gains from land disposal or land development, where those profits or gains are attributable to a relevant planning decision by a Planning Authority are being abolished from 1 January 2015. Such land disposals will be subject to the 33% rate from 1 January 2015.

FARMER TAXATION

INCREASE IN THE FARMERS' FLAT RATE

- The farmers' flat rate addition will be increased from 5.0% to 5.2% with effect from 1 January 2015.

CAPITAL GAINS TAX

- Relief for farm restructuring is being extended to the end of 2016 and broadened to allow for restructuring through whole farm replacements.
- Retirement relief is being amended so that, subject to other conditions, land that has been leased for up to 25 years (increased from 15 years) ending with a disposal will qualify for the relief. This relief is also being extended to conacre arrangements in certain circumstances.

CAPITAL ACQUISITIONS TAX AGRICULTURAL RELIEF

- Changes are being introduced to target CAT relief for agricultural property to ensure it is used by active farmers.

STAMP DUTY ON AGRICULTURAL LEASES

- Agricultural leases of between 5 and 35 years in duration made to active farmers will be exempt from stamp duty.

CONSANGUINITY RELIEF

- Consanguinity relief which applies to transfers of non-residential property to certain relatives is due to expire on 31 December 2014. This relief will be extended for a period of three years in certain circumstances where the transferor is 65 years or under and the transferee is an active farmer.

MISCELLANEOUS

EXCISE DUTIES

- The excise duty on a packet of cigarettes is increasing by 40c from midnight on the 14 October 2014.
- There were no other excise changes to the old reliables, e.g. alcohol, diesel, petrol, motor tax.

PENSION FUND LEVY

- The 0.6% stamp duty levy on pension fund assets is to end on 31 December 2014.
- The additional 0.15% Pension Levy introduced for 2014 and 2015 will expire at the end of 2015.

VEHICLE REGISTRATION TAX (VRT)

- The VRT reliefs available for the purchase of hybrid electric vehicles, plug-in hybrid electric vehicles, plug-in electric vehicles and electric motorcycles are being extended to 31 December 2016.

MICRO-BREWERIES

- The special relief reducing the standard rate of Alcohol Products Tax by 50% on beers produced in micro-breweries which produce not more than 20,000 hectolitres per annum is being extended to apply to micro-breweries which produce not more than 30,000 hectolitres per annum.

TAX CREDITS FOR TAX YEAR 2015

| | 2015 € | 2014 € | | 2015 € | 2014 € |
|-----------------------------------|-----------|-----------|----------------------------|-----------|-----------|
| PERSONAL | | | | | |
| Single | 1,650 | 1,650 | INCAPACITATED CHILD | 3,300 | 3,300 |
| Married | 3,300 | 3,300 | DEPENDANT RELATIVE | 70 | 70 |
| Widowed Person | 2,190 | 2,190 | BLIND PERSON | | |
| Single Person Child Carer | 1,650 | 1,650 | Single / Married | 1,650 | 1,650 |
| | | | Married (both blind) | 3,300 | 3,300 |
| PAYE | | | | | |
| | 1,650 | 1,650 | | | |
| WIDOWED PARENT BEREAVEMENT | | | | | |
| Tax Credit year 1 | 3,600 | 3,600 | AGE CREDIT | | |
| - Tapering to year 5 | 1,800 | 1800 | Single / Widowed | 245 | 245 |
| | | | Married | 490 | 490 |

INCOME TAX RATES

SINGLE PERSONS 2015

20% First €33,800
40% Balance

MARRIED PERSONS 2015

(Two Incomes)
20% First €67,600*
40% Balance

SINGLE PARENT

20% First €37,800
40% Balance

(One Income)

20% First €42,800
40% Balance

INCOME EXEMPTION LIMITS

| | 2015 € | 2014 € |
|---------------------------------------|-----------|-----------|
| 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 €42,800 for any one spouse

UNIVERSAL SOCIAL CHARGE

EMPLOYEES & SELF-EMPLOYED

2015

0.00% on total earnings < €12,012

1.50% on €0 to €12,012

3.50% on €12,013 to €17,576

7.00% on €17,577 to €70,044

8.00% on €70,045 to €100,000

2014

0.00% on total on total earnings < €10,036

2.00% on €0 to €10,036

4.00% on €10,037 to €16,016

7.00% on excess over €16,016

PAYE INCOME 8.00% on excess over €100,000

SELF-EMPLOYED 11.00% on excess over €100,000

10.00% on excess over €100,000

PRSI

EMPLOYER

2015

2014

Contribution for Class A

PRSI

10.05%

10.05%

Training Levy

0.70%

0.70%

Total for Employer

10.75% on all income

10.75% on all income

8.5% on earnings less than €357 p.w.

8.5% on earnings less than €357 p.w.

EMPLOYEE

PRSI

*4.00% on all income

*4.00% on all income

SELF-EMPLOYED / DIRECTORS CONTRIBUTIONS

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 a 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.