

Ireland

Table IE.1: Tax Revenue

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Ranking 2018	Revenue 2018 (billion euros)
A. Structure by type of tax															
as % of GDP															
Indirect taxes	13.7	13.2	12.1	10.9	10.9	10.6	10.6	10.9	11.0	8.7	8.8	8.4	8.0	28	25.9
VAT	7.4	7.3	7.0	6.1	6.0	5.7	5.8	5.8	5.9	4.5	4.6	4.4	4.4	28	14.2
Taxes and duties on imports excluding VAT	1.8	1.7	1.8	2.0	1.9	2.0	1.9	2.0	1.9	1.4	1.4	1.4	1.1	5	3.6
Taxes on products, except VAT and import duties	3.5	3.2	2.2	1.6	1.8	1.6	1.6	1.7	1.7	1.5	1.6	1.5	1.4	26	4.7
Other taxes on production	1.0	1.1	1.2	1.2	1.2	1.2	1.3	1.4	1.5	1.2	1.1	1.1	1.1	20	3.5
Direct taxes	13.8	13.4	12.4	12.0	11.8	12.3	12.9	12.9	13.0	10.8	10.8	10.5	10.8	14	35.1
Personal income taxes	9.5	9.5	9.0	8.9	8.7	9.2	9.6	9.5	9.4	7.5	7.5	7.2	7.1	14	23.1
Corporate income taxes	3.8	3.4	2.8	2.3	2.4	2.2	2.3	2.4	2.4	2.6	2.7	2.8	3.2	9	10.5
Other	0.6	0.6	0.6	0.7	0.7	1.0	1.0	1.1	1.1	0.6	0.5	0.5	0.5	17	1.5
Social contributions	3.9	4.1	4.4	5.2	5.0	5.3	4.9	5.0	4.9	3.9	3.9	3.8	3.8	26	12.3
Employers'	2.7	2.9	3.1	3.1	2.9	3.1	2.9	3.0	3.0	2.4	2.4	2.4	2.4	26	7.7
Households'	1.1	1.2	1.3	2.1	2.1	2.2	2.0	2.1	1.9	1.5	1.5	1.4	1.4	25	4.6
Less: capital transfers (1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Total	31.4	30.8	29.0	28.1	27.8	28.2	28.4	28.8	28.9	23.3	23.5	22.7	22.6	28	73.3
B. Structure by level of government															
as % of total taxation															
Central government	97.5	97.3	97.0	96.4	96.2	96.3	96.1	96.4	96.8	97.0	97.0	97.2	97.4	2	71.4
State government (2)	:	:	:	:	:	:	:	:	:	:	:	:	:		
Local government	2.1	2.3	2.6	3.2	3.3	3.2	3.4	3.1	2.7	2.5	2.2	2.2	2.0	23	1.5
Social security funds	:	:	:	:	:	:	:	:	:	:	:	:	:		
EU institutions	0.4	0.4	0.5	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.8	0.6	0.6	8	0.4
C. Structure by economic function															
as % of GDP															
Consumption	11.1	11.0	10.5	9.8	9.8	9.5	9.5	9.8	9.9	7.7	7.9	7.5	7.0	28	22.7
Labour	10.4	10.7	11.3	12.4	12.2	12.9	12.9	12.9	12.8	9.9	10.1	9.8	9.7	28	31.4
of which on income from employment	10.3	10.6	11.2	12.3	12.0	12.7	12.7	12.7	12.6	9.7	9.9	9.6	9.5	28	30.9
Paid by employers	2.9	3.1	3.4	3.3	3.1	3.3	3.0	3.1	3.2	2.5	2.6	2.6	2.6	25	8.3
Paid by employees	7.4	7.4	7.8	8.9	8.9	9.4	9.6	9.5	9.4	7.2	7.3	7.1	7.0	23	22.6
Paid by non-employed	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	22	0.5
Capital	9.9	9.2	7.2	5.9	5.7	5.8	6.0	6.1	6.3	5.8	5.6	5.5	6.0	18	19.3
Income of corporations	3.8	3.4	2.8	2.3	2.4	2.2	2.3	2.4	2.4	2.6	2.7	2.8	3.2	9	10.5
Income of households	2.1	2.0	1.3	0.9	0.7	0.7	0.8	0.7	0.7	0.9	0.7	0.6	0.6	14	2.1
Income of self-employed	1.1	1.1	1.1	1.1	1.0	1.1	1.0	1.0	1.0	0.8	0.9	0.8	0.8	17	2.5
Stock of capital	2.9	2.6	2.0	1.7	1.6	1.8	1.9	2.0	2.1	1.5	1.3	1.3	1.3	18	4.2

Table IE.1: Tax Revenue (continued)

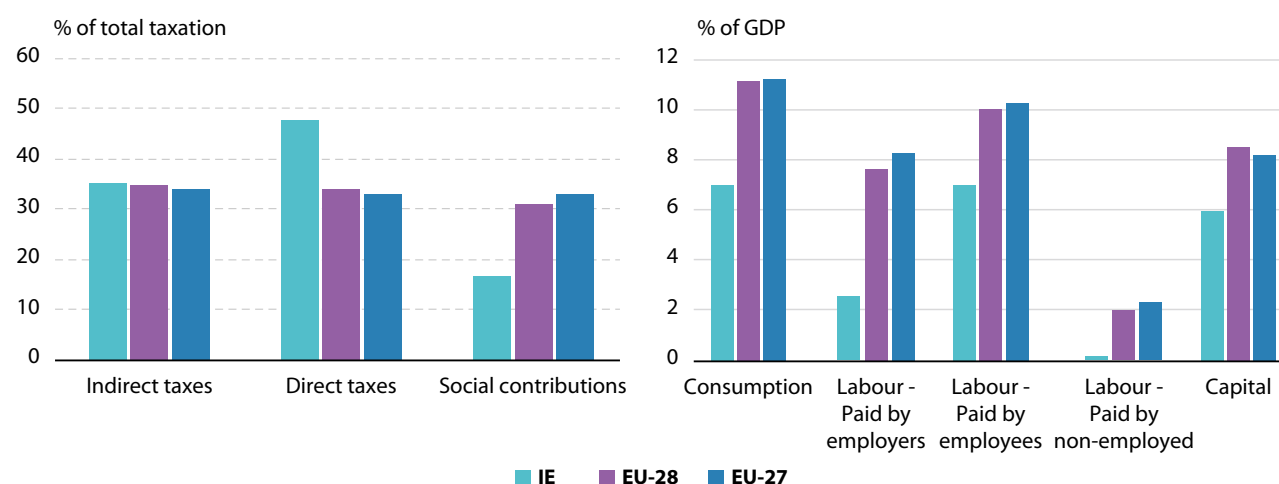
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Ranking 2018	Revenue 2018 (billion euros)
D. Environmental taxes as % of GDP															
Environmental taxes	2.4	2.4	2.3	2.3	2.4	2.5	2.4	2.5	2.4	1.9	1.9	1.7	1.6	28	5.1
Energy	1.2	1.1	1.2	1.3	1.5	1.6	1.5	1.5	1.4	1.2	1.1	1.1	1.0	28	3.1
of which transport fuel taxes	1.1	1.1	1.1	1.3	1.3	1.3	1.2	1.2	1.1	0.9	0.9	0.8	0.7	26	
Transport	1.2	1.3	1.1	0.9	0.9	0.8	0.8	0.9	0.9	0.7	0.7	0.6	0.6	12	1.9
Pollution and resources	0.03	0.03	0.03	0.03	0.04	0.04	0.04	0.03	0.02	0.02	0.02	0.02	0.01	25	0.0
E. Property taxes as % of GDP															
Taxes on property	2.7	2.4	1.8	1.4	1.4	1.6	1.7	1.8	1.9	1.3	1.2	1.1	1.2	15	3.8
Recurrent taxes on immovable property	0.6	0.6	0.7	0.8	0.8	0.8	0.8	1.0	1.0	0.7	0.7	0.6	0.6	15	1.9
Other taxes on property	2.2	1.8	1.1	0.7	0.6	0.8	0.9	0.8	1.0	0.6	0.5	0.5	0.6	14	1.9
F. Implicit tax rates %															
Consumption	22.3	21.4	19.2	18.0	18.4	18.2	18.5	19.3	20.2	20.4	20.5	20.4	19.6	13	
Labour	26.0	26.0	25.6	27.9	28.9	31.4	32.0	32.1	33.3	32.7	32.5	32.3	32.9	18	
G. Payable tax credits as % of GDP															
Total payable tax credits	0.6	0.4	0.5	0.6	0.6	0.6	0.7	0.5	0.3	0.2	0.2	0.2	0.1		0.5
Tax expenditure component	:	:	:	:	:	:	:	:	:	:	:	:	:		
Transfer component	:	:	:	:	:	:	:	:	:	:	:	:	:		
Total tax revenue adjusted for payable tax credits	30.8	30.4	28.5	27.4	27.1	27.6	27.7	28.4	28.6	23.1	23.4	22.6	22.5		72.9

(¹) Representing taxes assessed but unlikely to be collected.

(²) This level refers to the *Länder* in Austria and Germany, the *gewesten and gemeenschappen / régions et communautés* in Belgium, and the *comunidades autónomas* in Spain.

Source: European Commission, DG Taxation and Customs Union, based on Eurostat data

Figure IE.1: Tax revenues by main taxes, compared to EU-28 and EU-27, 2018
(in % of total taxation (left graph) and in % of GDP (right graph))



Source: European Commission, DG Taxation and Customs Union, based on Eurostat data
Note: EU-27 represents EU Member States without UK

Table IE.2: Latest tax reforms

Description of measure	Change	Date
Personal income tax: Earned income		
EUR 502 increase to EUR 19 372 band ceiling 4.5% rate reduced to 5% USC Rates & Bands from 1 January 2019: Incomes of EUR 13,000 are exempt. Otherwise: - EUR 0 – EUR 12 012 @ 0.5% - EUR 12 012 – EUR 19 874 @ 2% - EUR 19 874 – EUR 70 044 @ 4.75% - EUR 70 044+ @ 8% Self-employed income over EUR 100 000: 3% surcharge. The rate for individuals earning above EUR 70,044 remains unchanged at 8%	Rate decrease	Announcement: 09-10-2018 Legislation: 19-12-2018 In force from: 01-01-2019
An increase of EUR 750 in the income tax standard rate band for all earners, from EUR 34 550 to EUR 35 300 for single individuals and from EUR 43 550 to EUR 44 300 for married one earner couples.	Rate decrease	Announcement: 09-10-2018 Legislation: 19-12-2018 In force from: 01-01-2019
Home Carer Tax Credit increased by EUR 300: Max tax credit EUR 1 500 (was EUR 1 200)	Base decrease	Announcement: 09-10-2018 Legislation: 19-12-2018 In force from: 01-01-2019
Home Carer Tax Credit increased by EUR 100: Max tax credit EUR 1 600 (was EUR 1 500)	Base decrease	Announcement: 08-10-2019 Legislation: 22-12-2019 In force from: 01-01-2020
Personal income tax: Unincorporated businesses/Self employment income		
Earned Income Tax Credit: Max. amount of tax credit is increased by EUR 200 to EUR 1 350	Base decrease	Announcement: 09-10-2018 Legislation: 19-12-2018 In force from: 01-01-2019
Earned Income Tax Credit: Max. amount of tax credit increased by EUR 150 to EUR 1 500	Base decrease	Announcement: 08-10-2019 Legislation: 22-12-2019 In force from: 01-01-2020
Social security contributions: Employer		
The weekly income threshold for the higher rate of employer's PRSI was increased.	Base decrease	Announcement: 09-10-2018 Legislation: 19-12-2018 In force from: 01-01-2019
The weekly income threshold for the higher rate of Employer's PRSI increased from EUR 386 to EUR 395.	Base decrease	Announcement: 19-12-2019 Legislation: 1-02-2020 In force from: 1-02-2020
Taxes on payroll and workforce		
Special Assignee Relief Programme (SARP). A salary cap of EUR 1 000 000 was introduced by way of amendment in the Finance Act 2018. Specifically, for the years 2019 and 2020, in the case of a new entrant this upper income limit applies, such that the portion of income exempted from income tax is restricted to 30% of an employee's income between EUR 75 000 and EUR 1 000 000. For the tax year 2020, in the case of a relevant employee who first arrived in the State on or before 31 December 2018 to perform employment duties in the State, the upper income limit applies, such that the portion of income exempted from income tax is restricted to 30% of an employee's income between EUR 75,000 and EUR 1,000,000.	Rate increase	Announcement: 19-11-2018 Legislation: 19-12-2018 In force from: 01-01-2019
Revenue's updated PAYE system will be fully operational from 1 January 2019. Once implemented, this system is expected to yield additional Exchequer savings arising from increased compliance levels of taxpayers.	Neutral	Announcement: 10-10-2017 Legislation: 25-12-2017 In force from: 01-01-2019
Corporate income tax		
Section 845C (Additional Tier 1 Capital) Additional Tier 1 (AT1) capital instruments are a form of loss-absorbing capital issued by banks. Finance Act 2019 provided that the tax treatment provided to AT1 instruments is extended to all instruments with the same features as AT1 instruments. This measure ensures parity of treatment between AT1 instruments issued by banks and similar instruments issued by non-financial institutions.	Base decrease	Announcement: 23-10-2019 Legislation: 22-12-2019 In force from: 01-01-2020

Table IE.2: Latest tax reforms (continued)

Description of measure	Change	Date
<p>Section 110 Additional anti-avoidance provisions introduced to strengthen existing protections against abuse of the regime.</p> <p>Real Estate Investment Trust (REIT) A number of amendments were made to the REIT framework to ensure that the appropriate level of tax is collected from the regime. The distribution of proceeds from the disposal of a rental property will be subject to dividend withholding tax upon distribution.</p> <p>An existing provision whereby a deemed disposal and re-basing of property values occurs should a company cease to be a REIT is to be limited to apply only where the REIT has been in operation for a minimum of 15 years.</p> <p>The introduction of the wholly and exclusively test when calculating the REIT profits available for distribution was also legislated for in 2019.</p> <p>Irish Real Estate Fund (IREF) Introduction of limitations on interest expense based on debt to property cost and on an income to interest ratio.</p> <p>An amendment was made to the calculation of the amount on which IREF tax is levied to ensure that any gains which are reflected in the market value of the unit, but which are not reflected in the accounts of the IREF, are subject to IREF tax.</p> <p>Introduction of the wholly and exclusively test to ensure only those expenses which are incurred wholly and exclusively for the purposes of IREF business may be deductible.</p>	Base increase	Announcement: 08-10-2019 Legislation: 22-12-2019 In force from: 08-10-2019
<p>As part of Ireland's commitment to implementing the Anti-Tax Avoidance Directive's (ATAD's), a new ATAD compliant anti-hybrid regime was introduced in Finance Bill 2019. The purpose of the anti-hybrid rules are to prevent arrangements that exploit differences in the tax treatment of an instrument or entity under the tax laws of two or more jurisdictions to generate a tax advantage. They will apply to all corporate tax payers, there is no de minimis under which the rules do not apply.</p> <p>Transfer pricing rules were also modernised in line with the Recommendations in the Coffey Review of the Irish Corporation Tax Code. These changes include the incorporation of the OECD 2017 Transfer Pricing Guidelines into Irish legislation and the extension of rules to cover cross-border non-trading, and material capital transactions. The legislation will also extend the application of transfer pricing rules to SMEs, subject to a Ministerial Commencement Order.</p>	Base increase	Announcement: 08-10-2019 Legislation: 22-12-2019 In force from: 1-1-2020
<p>Research and Development Tax Credit is being enhanced to provide extra supports to micro and small companies, subject to State aid approval. Increase the percentage of credit from 25% to 30% for small companies</p> <ul style="list-style-type: none"> • Introduction of an enhanced method to calculate the payable element of the R&D tax credit, based on twice the current year payroll liabilities • Allowing micro and small companies conducting pre-trading R&D to claim the credit before trading commences, limited by reference to VAT and payroll tax liabilities only. <p>In respect of all companies, the current limit on outsourcing to third level institutes of education was increased from 5% to 15%</p>	Rate decrease; base decrease	Announcement: 08-10-2019 Legislation: 22-12-2019
<p>Film Relief The credit was due to expire at the end of 2020 and will now be extended until 2024. A new, short-term, tapered regional uplift commencing at 5% is also being introduced, subject to State aid approval, for productions being made in areas designated under the State aid regional guidelines.</p>	Rate decrease; base decrease	Announcement: 09-10-2018 Legislation: 19-12-2018 In force from: 01-01-2019
<p>A Controlled Foreign Company (CFC) regime was introduced as required by the ATAD. CFC rules are an anti-abuse measure, designed to prevent the diversion of profits to offshore entities (the CFCs) in low- or no-tax jurisdictions by attributing the income back to the controlling company for taxation purposes.</p>	Base increase	Announcement: 09-10-2018 Legislation: 19-12-2018 In force from: 01-01-2019
Other corporate taxes		
<p>Accelerated Capital Allowances for Employer-Provided Fitness and Childcare Facilities - This measure, introduced in Finance Act 2017, is being amended and commenced with effect from 1 January 2019. The measure provides an accelerated deduction for the capital investment costs incurred (certain of which are currently allowed over 8 years).</p>	Rate decrease	Announcement: 10-10-2017 Legislation: 25-12-2017 In force from: 01-01-2019
<p>Accelerated Capital Allowances for Gas Propelled Vehicles and Refuelling Equipment - This measure provides for the acceleration of existing allowances and therefore is cost neutral over the lifespan of the assets.</p>	Rate decrease	Announcement: 09-10-2018 Legislation: 19-12-2018 In force from: 01-01-2019
<p>As part of Ireland's commitment to implementing the Anti-Tax Avoidance Directive (ATAD), a new ATAD compliant exit tax regime was introduced from midnight on October 9th. It will tax unrealised capital gains where companies migrate or transfer assets offshore such that they leave the scope of Irish tax. The rate for the new ATAD compliant exit tax will be set at 12.5%.</p>	Rate decrease; base increase	Announcement: 09-10-2018 Legislation: 19-12-2018 In force from: 09-10-2019

Table IE.2: Latest tax reforms (continued)

Description of measure	Change	Date
Value-added tax		
Increase in VAT rate from 9% to 13.5% for specified tourism industry sectors	Rate increase	Announcement: 09-10-2018 Legislation: 19-12-2018 In force from: 01-01-2019
Reduced rate of VAT (from 23% to 9%) applied to electronic publications	Rate decrease	Announcement: 09-10-2018 Legislation: 19-12-2018 In force from: 01-01-2019
Environmentally-related taxes		
Introduction of CO ₂ basis for determining the rates of Benefit-in-kind for company vehicles. 0% rate for electric vehicles with Original Market Value <EUR 50 000 is extended until end 2020	Neutral	Announcement: 08-10-2019 Legislation: 22-12-2019 In force from: 01-01-23
Extension of VRT relief available for hybrid vehicles (under 80g/km CO ₂) and plug in hybrid vehicles (under 65g/km CO ₂) is extended for one year until the end of 2020	Rate decrease; base decrease	Announcement: 08-10-2019 Legislation: 22-12-2019 In force from: 01-01-20
Nitrogen oxide-based surcharge added to VRT, replacing existing 1% surcharge for diesel engine passenger vehicles	Rate increase; base increase	Announcement: 08-10-2019 Legislation: 22-12-2019 In force from: 01-01-20
Increase in the rate of business use of electricity	Rate increase	Announcement: 08-10-2019 Legislation: 22-12-2019 In force from: 01-01-20
Increase in the rate of carbon tax from EUR 20 per tonne of CO ₂ emission to EUR 26 per tonne.	Rate increase	Announcement: 08-10-2019 Legislation: 22-12-2019 In force from: 09-10-2019 (auto fuels) & 01-01-2020
1% VRT surcharge for diesel engine passenger vehicles	Rate increase; base increase	Announcement: 09-10-2018 Legislation: 19-12-2018 In force from: 01-01-2019
Extension of VRT relief available for hybrid and plug in hybrid vehicles is being extended for one year until the end of 2019	Rate decrease	Announcement: 09-10-2018 Legislation: 19-12-2018 In force from: 01-01-2019
Provision made in the legislation to provide for the transition of charging VRT based on NEDC CO ₂ emissions towards charging based on WLTP and CO ₂ MPAS CO ₂	Neutral	Announcement: 09-10-2018 Legislation: 19-12-2018 In force from: 01-01-2019
Removal of refund scheme where the VAT element of the VRT on short term car hire vehicle was previously refunded.	Neutral	Announcement: 09-10-2018 Legislation: 19-12-2018 In force from: 01-04-2019
The 0% Benefit-in-kind rate for electric vehicles is being extended for a period of 3 years. The 0% rate is restricted to the first EUR 50 000 of the Original Market Value of the vehicle. Where a vehicle is worth more than EUR 50 000, the excess will be subject to benefit in kind taxation in the ordinary manner. No restriction shall apply for the years 2019 & 2020 where the electric vehicle was first made available to an employee in the period 10 October 2017 to 9 October 2018.	Rate decrease	Announcement: 09-10-2018 Legislation: 19-12-2018 In force from: 01-01-2019
Health-related taxes		
Increase of 50 cent on pack of 20 cigarette and pro-rata increase on other tobacco products	Rate increase	Announcement: 08-10-2019 Legislation: 22-12-2019 In force from: 09-10-2019
Change to Sugar Sweetened Drinks Tax - Amendment made to the definition of a sugar sweetened drink to ensure certain categories of beverages will be subject to sugar sweetened drinks tax where those beverages do not meet a minimum calcium content of 119 milligrams per 100 millilitres. The amendment fulfils the commitment made as part of the formal EU State aid notification process for sugar sweetened drinks tax.	Base increase	Announcement: 09-10-2018 Legislation: 19-12-2018 In force from: 01-01-2019
Estate duties/inheritances/gift taxes		
The current Group A tax free threshold which applies primarily to gifts and inheritances from parents to their children is being increased from EUR 320 000 to EUR 335 000. This increase applies in respect of gifts or inheritances received on or after the 9th of October 2019.	Base decrease	Announcement: 08-10-2019 Legislation: 22-12-2019 In force from: 09-10-2019
Transaction taxes (movable and immovable property)		
Change of rate of Stamp Duty on Non-Residential Property from 6% to 7.5%	Rate increase	Announcement: 8-10-2019 Legislation: 22-12-2019 In force from: 9-10-2019

Table IE.2: Latest tax reforms (continued)

Description of measure	Change	Date
Introduction of a 1% stamp duty where a cancellation scheme of arrangement, in accordance with Part 9 of the Companies Act 2014, is used for the acquisition of a company.	New tax	Announcement: 8-10-2019 Legislation: 22-12-2019 In force from: 9-10-2019
Extension of Young Trained Farmers Stamp duty Relief for a further three years to 31/12/2021	Rate decrease; base decrease	Announcement: 09-10-2018 Legislation: 19-12-2018 In force from: 01-01-2019
Other taxes		
Key Employee Engagement Programme (KEEP) Gains arising to employees on the exercise of KEEP share options will only be liable to Capital Gains Tax on disposal of the shares, in place of the current liability to income tax, USC and PRSI on exercise together with Capital Gains Tax on any subsequent disposal. Finance Act 2018 introduced amendments to the definition of qualifying share option such that the total market value of the share options granted to any one employee/director cannot exceed the following:		
1. EUR 100 000 in any one year of assessment, 2. EUR 300 000 in all years of assessment, or 3. 100% of the annual emoluments in a year of assessment in which the qualifying option is granted.	Base increase	Announcement: 09-10-2018 Legislation: 19-12-2018 In force from: 01-01-2019
This change has removed the cap of 50% which applied to annual emoluments and has increased the upper limit from EUR 250k to EUR 300k. Note that this upper limit previously applied to a 3 year period but is now a lifetime limit per employee/ director.		
Full deductibility of interest paid on loans used to purchase, improve or repair a residential property from 1 January 2019	Rate decrease	Announcement: 09-10-2018 Legislation: 19-12-2018 In force from: 01-01-2019
Extending income averaging for eligible farmers to include their off-farm income	Rate decrease; base decrease	Announcement: 09-10-2018 Legislation: 19-12-2018 In force from: 01-01-2019
Renewing the existing stock relief measures for a further three years	Rate decrease	Announcement: 09-10-2018 Legislation: 19-12-2018 In force from: 01-01-2019
An increase in the betting duty on bets placed by customers in the State will provide the additional yield: - from 1% to 2% for all bookmakers and - from 15% to 25% on the commission earned by betting intermediaries	Rate increase	Announcement: 09-10-2018 Legislation: 19-12-2018 In force from: 01-01-2019