

Ready Reckoner - Budget 2015

Prepared by Statistics & Economic Research Branch, Revenue Commissioners

October 2014

Ready Reckoners are provided for the following taxes:

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Please note that the costings provided in this Ready Reckoner are estimates and should be treated as such. Ready Reckoner costings assume no behavioural change from an increase or decrease in taxation. Every reasonable effort has been made to ensure that the information provided is as accurate and clear as possible.

Income Tax & Universal Social Charge

These following costs / yields are based on 2015 estimates from the Revenue tax forecasting model using latest actual data for the year 2012, adjusted as necessary for income, self-employment and employment trends in the interim.

The Income Tax Ready Reckoner covers the following:

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		€ Million	
Increases and Decreases to Income Tax and USC Rates		2015	Full Year
Cost of 1% point decrease in Income Tax rates	20% rate	-386	-523
	41% rate	-164	-234
Yield from 1% point increase in Income Tax rates	20% rate	391	529
	41% rate	164	233
Cost of 1% point decrease in Universal Social Charge rates	Decrease 2% rate to 1%	-151	-207
	Decrease 4% rate to 3%	-84	-114
	Decrease 7% rate to 6%*	-358	-507
Yield from 1% point increase in Universal Social Charge rates	Increase 2% rate to 3%	151	207
	Increase 4% rate to 5%	84	114
	Increase 7% rate to 8%*	358	507

*Surcharge of 3% on individuals who have non-PAYE income that exceeds €100,000 in a year is unchanged.

		€ Million	
Cost of Increasing Income Tax Credits		2015	Full Year
Increase Single Persons Credit by €100	From €1,650 to €1,750	-56	-75
Increase Married Persons Credit by €200	From €3,300 to €3,500	-87	-120
Increase Widowed Persons Personal Credit by €100	From €1,650 to €1,750	-4.0	-5.6
Increase Lone Parent Credit by €100	From €1,650 to €1,750	-4.4	-6.0
Increase Widowed Persons Top up Credit by €100	From €540 to €640	-3.6	-5.0
Increase PAYE Credit by €50	From €1,650 to €1,700	-57	-73
Increase Home Carer's Credit by €50	From €810 to €860	-2.3	-3.1
Increase Dependent Relative Credit by €20	From €70 to €90	-0.4	-0.5
Increase Incapacitated Child Credit by €100	From €3,300 to €3,400	-0.9	-1.3
Increase Blind Persons Credit (incl Guide Dog)		-0.4	-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 Bereavement Credit by €100		-0.2	-0.2
Increase Age Credit		-7.7	-11
By €50 for single / widow	From €245 to €295		
By €100 for married / civil partners	From €490 to €590		

Cost of Widening of Income Tax Standard Rate Bands

Increases in both the band for single / widowed persons and in the additional band (i.e. €23,800 band) currently available to married or civil partner 2 earning couples beyond the band limit of €41,800.

Band Increase*	€ Million		€ Million		€ Million	
	2015	Full Year	2015	Full Year	2015	Full Year
	Single & Widowed		Married 2 earning couple		Total Cost	
€100	-5.8	-7.7	-3.8	-5.1	-9.6	-13
€500	-29	-38	-19	-25	-47	-63
€1,000	-57	-75	-36	-49	-93	-124
€1,500	-84	-112	-52	-71	-137	-182

* The increase in the existing band of €23,800 currently available to Married 2 earning couples is doubled.

Increase in the existing standard rate band of €41,800 available to married or civil partner couples.

Band Increase	€ Million			
	2015	Full Year	2015	Full Year
	Married 1 earning couple		Married 2 earning couple	
€100	-2.0	-2.7	-4.0	-5.4
€500	-9.7	-13	-20	-27
€1,000	-19	-26	-40	-54
€1,500	-29	-39	-59	-80

		€ Million	
Cost of Increasing USC Rate Bands		2015	Full Year
First €10,036 is charged at 2%	Increase by €100 to €10,136	-3.8	-5.2
	Increase by €500 to €10,536	-19.1	-26.2
	Increase by €1,000 to €11,036	-38.0	-52.2
	Increase by €1,500 to €11,536	-57.7	-79.2
From €10,036 to €16,016 is charged at 4%	Increase by €100 to €10,136 and €16,116	-7.6	-10.4
	Increase by €500 to €10,536 and €16,516	-38.3	-52.3
	Increase by €1,000 to €11,036 and €17,016	-76.1	-104.1
	Increase by €1,500 to €11,536 and €17,516	-114.4	-156.4
Above €16,016 is charged at 7%	Increase by €100 to €16,116	-3.9	-5.3
	Increase by €500 to €16,516	-19.2	-26.1
	Increase by €1,000 to €17,016	-38.1	-51.9
	Increase by €1,500 to €17,516	-56.7	-77.2

The exemption threshold is increased with €10,036 and the 3% surcharge continues to apply to individuals who have non-PAYE income that exceeds €100,000.

		€ Million	
Cost of Increasing Income Tax Exemption Limits		2015	Full Year
Aged 65 and over	By €100 for single / widow and €200 married	-2.8	-4.0
	By €300 for single / widow and €600 married	-8.5	-11.8
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

		€ Million	
Cost of Income Tax Indexation		2015	Full Year
Indexation at 1%	Personal Tax Credits with rate bands	-75	-101
	Exemption limits, Personal Tax Credits with rate bands	-79	-107
	PAYE Credit, exemption limits, Personal Tax Credits with rate bands	-98	-132

Deposit Interest Retention Tax (DIRT)

		€ Million Full Year
Reduction in the Standard Rate of DIRT	From 41% to 40%	-12
	From 41% to 38%	-36
	From 41% to 36%	-61
Increase in the Standard Rate of DIRT	From 41% to 42%	12
	From 41% to 44%	36
	From 41% to 46%	61

Capital Gains Tax (CGT)

		€ Million	
		2014	Full Year
Reduction in the CGT Rate (on or after 15 October 2014)	From 33% to 32%	-1	-15
	From 33% to 31%	-3	-29
	From 33% to 28%	-7	-73
Increase in the CGT Rate (on or after 15 October 2014)	From 33% to 34%	1	15
	From 33% to 35%	3	29
	From 33% to 38%	7	73
Increase in Annual Exemption	From €1,270 to €1,770	--	-2.0

Capital Acquisitions Tax (CAT)

		€ Million	
		2015	Full Year
Reduction in the CAT Rate (on or after 15 October 2014)	From 33% to 32%	-10	-11
	From 33% to 28%	-47	-55
	From 33% to 23%	-95	-110
Increase in the CAT Rate (on or after 15 October 2014)	From 33% to 34%	10	11
	From 33% to 38%	47	55
	From 33% to 43%	95	110
Increase in tax free thresholds (on or after 15 October 2014)*	By 1%	-1.6	-1.9
	By 5%	-8	-10
	by 10%	-17	-19
Decrease in tax free thresholds (on or after 15 October 2014)*	By 1%	1.6	1.9
	By 5%	8	10
	by 10%	17	19
Reduce Agricultural Relief (on or after 15 October 2014)	From 90% to 80%	7	8
	From 90% to 60%	21	24
	From 90% to 50%	28	32
Reduce Agricultural Relief (on or after 15 October 2014)	From 90% to 80%	9	10
	From 90% to 60%	27	31
	From 90% to 50%	36	41

*Thresholds are currently €225,000 for Category A, €30,150 for Category B and €15,075 for Category C.

Excise

The Excise Ready Reckoner covers the following:

Oils
Alcohol
Tobacco

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Oils		€ Million Full Year
Unleaded petrol (per litre)	Increase by 1 cent	13
	Increase by 3 cent	40
	Increase by 5 cent	66
	Increase by 10 cent	130
Auto diesel (per litre)	Increase by 1 cent	22
	Increase by 3 cent	65
	Increase by 5 cent	107
	Increase by 10 cent	213

Both increase amounts and additional revenue estimates are VAT inclusive.

Alcohol		€ Million Full Year
Beer (per pint)	Increase by 1 cent	7
	Increase by 3 cent	20
	Increase by 5 cent	33
	Increase by 10 cent	65
Spirits (per half glass)	Increase by 1 cent	3
	Increase by 3 cent	10
	Increase by 5 cent	17
	Increase by 10 cent	33
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	14
	Increase by 50 cent	26

Both increase amounts and additional revenue estimates are VAT inclusive.

Tobacco		€ Million Full Year
Cigarettes (per pack of 20)	Increase by 5 cent	6
	Increase by 10 cent	13
	Increase by 25 cent	32
	Increase by 50 cent	63

Both increase amounts and additional revenue estimates are VAT inclusive.

Economic research conducted by Revenue has shown that (further) cigarette price rises, particularly at the higher end of the range, are unlikely to increase Excise receipts from the sale of cigarettes (the largest source of Excise Duty on tobacco). And this is supported by experience in recent years. In economic terms, the demand for Irish Duty paid cigarettes has moved to become much more elastic in nature, this implies an increase in price will lead to a proportionately larger decrease in consumption of Irish Duty paid cigarettes resulting in an overall decrease in cigarette Excise receipts.