

# TAX TABLES

## Professional 2 Examination 2017

The following rates, formulae and allowances are based on the Finance Act 2015 and are to be used for all questions on this paper.

### Rates of Income Tax

|                   |               |               |               |
|-------------------|---------------|---------------|---------------|
| Single or Widowed |               | €33,800 @ 20% | Balance @ 40% |
| One Parent Family |               | €37,800 @ 20% | Balance @ 40% |
| Married Couple:   | Single Income | €42,800 @ 20% | Balance @ 40% |
| Married Couple:   | *Two incomes  | €67,600 @ 20% | Balance @ 40% |

\* Transferable between spouses/civil partners up to a maximum of €42,800 for any one spouse/civil partner.

### Income Tax Exemption Limits

|                  | Over 65  |
|------------------|----------|
| Single & Widowed | € 18,000 |
| Married Couple   | € 36,000 |

Increase in Income Tax Exemption Limit for Dependent Children

|                            |       |
|----------------------------|-------|
| First & second child       | € 575 |
| Third and subsequent child | € 830 |

### Abbreviated list of Tax Credits

|  |         |
|--|---------|
| Single Person  | € 1,650 |
| Married Person or Civil Partner Tax Credit   | € 3,300 |
| Widowed Person or Surviving Civil Partner in year of bereavement                               | € 3,300 |
| Widowed Person or Surviving Civil Partner without dependent children                           | € 2,190 |
| Widowed Person or Surviving Civil Partner with dependant child                                 | € 1,650 |
| Widowed Person or Surviving Civil Partner with qualifying child:                               |         |
| 1st year of bereavement  | € 3,600 |
| 2nd year of bereavement  | € 3,150 |
| 3rd year after of bereavement  | € 2,700 |
| 4th year of bereavement  | € 2,250 |
| 5th year of bereavement  | € 1,800 |
| Single Person Child Carer (with qualifying dependent children)                                 | € 1,650 |
| Incapacitated Child  | € 3,300 |
| Dependent relative (income limit €13,837)  | € 70    |
| PAYE Tax Credit  | € 1,650 |
| Earned Income Tax Credit   | € 550   |
| Home Carer (max)   | € 1,000 |
| Age Tax Credit if Single or Widowed or Surviving Civil Partner                                 | € 245   |
| Age Tax Credit if Married or In a Civil Partnership  | € 490   |
| Employment of carer (incl. relative) to care for incapacitated person €75,000 @ marginal rate. |         |

### Preferential Loans

|                      |       |
|----------------------|-------|
| Qualifying Home Loan | 4%    |
| All other loans      | 13.5% |

### Rent Relief\*

|   | Rent Limit | Max Tax credit |
|---|------------|----------------|
| Under 55: Single  | € 200      | € 80           |
| Under 55: Widowed or a Surviving Civil Partner, Married or in a Civil Partnership | € 800      | € 160          |
| Over 55: Single   | € 800      | € 160          |
| Over 55: Widowed or a Surviving Civil Partner, Married or in a Civil Partnership  | € 1,600    | € 320          |

\*In order to avail of the rent credit, the tenant must have been paying rent under a tenancy on 7 December 2010.

## Mortgage Interest Relief

### Maximum allowable

|  |          |
|--|----------|
| First Time Buyers: Single  | €10,000  |
| First Time Buyers: Married or in a Civil Partnership, Widowed or a Surviving Civil Partner | € 20,000 |
| Others: Single   | € 3,000  |
| Others: Married or in a Civil Partnership, Widowed or a Surviving Civil Partner            | € 6,000  |

With effect from 1 May 2009 the number of tax years in respect of which mortgage interest relief may be claimed is 7 years for both first time and non-first time buyers. The rates of relief in the table below will be available until 2017 for loans taken out on or after 1 January 2004 and on or before 31 December 2012.

### Percentage of interest allowable (subject to above maximums)

|              | First Time Buyers | Others |
|--------------|-------------------|--------|
| Years 1 & 2  | 25%               | 15%    |
| Years 3 to 5 | 22.5%             | 15%    |
| Years 6 to 7 | 20%               | 15%    |

For individuals who purchased their first qualifying residence on or after 1 January 2004 and on or before 31 December 2008, the rate of tax relief on the interest paid on the loan to purchase that property will be 30% for the tax years 2012 to 2017.

Interest Relief is available for the tax years 2013 to 2017 in respect of interest paid on a loan taken out and used by an individual:-

- on or after 1 January 2012 and on or before 31 December 2012 to purchase a site on which his or her home is constructed, or
- on or after 1 January 2012 and on or before 31 December 2013 to construct the said home on that site.

Mortgage interest relief will no longer exist for the tax years 2018, et seq.

## Retirement Annuity\*

| Age                 | % of Net Relevant Earnings |
|---------------------|----------------------------|
| up to 30 years      | 15%                        |
| 30 but less than 40 | 20%                        |
| 40 but less than 50 | 25%                        |
| 50 but less than 55 | 30%                        |
| 55 but less than 60 | 35%                        |
| 60 years plus       | 40%                        |

\* Cap on earnings of €115,000

## Ex Gratia Payments - Tax Free Amount

Basic exemption: €10,160 + (€765 x number of years of complete service)

Increased exemption:

(€10,160 plus (€765 x number of years of complete service)) plus (€10,000 minus the amount of any tax free lump sum from the pension scheme)

**or**

(€10,160 plus (€765 x number of years of complete service)) plus (€10,000 minus the present value of future entitlement to pension lump sum).

## Standard Capital Superannuation Benefit (SCSB)

SCSB = (A x B/15) minus C, where:

A = annual average salary over the past three years

B = Number of complete years of service in the employment

C = Any tax free lump sum received or receivable under an approved superannuation scheme

With effect from 1 January 2011 a lifetime cap of €200,000 was introduced regardless of whether the tax free amount is calculated using the basic exemption, increased exemption or SCSB.

## Motor Cars - Limits on capital cost qualifying for capital allowances

| Chargeable Period ending | Capital Allowances                | Categories            |                               |                    |
|--------------------------|-----------------------------------|-----------------------|-------------------------------|--------------------|
| On or after 01/01/2007   | All cars: €24,000                 |                       |                               |                    |
|                          |                                   | A-C:<br>(max 155g/Km) | D&E:<br>(156 - 190g/Km)       | F&G:<br>(>191g/Km) |
| On or after 1 July 2008  | Limit dependant upon car category | Limit €24,000         | Lower of: cost or €24,000*50% | None available     |

## Capital Allowances

### Wear and Tear

| Expenditure incurred                    | Equipment | Motor car / vehicle | Industrial Premises |
|---|-----------|---------------------|---------------------|
| Prior to 1st. January 2001              | 15%       | 15%                 | 4%                  |
| 1st. January 2001 to 3rd. December 2002 | 20%       | 20%                 | 4%                  |
| 4th. December 2002 onwards              | 12.5%     | 12.5%               | 4%                  |

\* For cars purchased on or after 1 July 2008, refer to table above regarding the limits imposed on the cost qualifying for capital allowances.

## Motor Cars - Benefit in Kind

| Lower limit -<br>Kilometres | Upper limit -<br>Kilometres | Categorisation<br>A, B & C | Categorisation<br>D & E | Categorisation<br>F & G |
|-----------------------------|-----------------------------|----------------------------|-------------------------|-------------------------|
| 0                           | 24,000                      | 30%                        | 35%                     | 40%                     |
| 24,000                      | 32,000                      | 24%                        | 28%                     | 32%                     |
| 32,000                      | 40,000                      | 18%                        | 21%                     | 24%                     |
| 40,000                      | 48,000                      | 12%                        | 14%                     | 16%                     |
| 48,000                      |                             | 6%                         | 7%                      | 8%                      |

The CO<sup>2</sup> emission categories are as follows:

| Vehicle category | CO2 Emissions (g/km) |
|------------------|----------------------|
| A                | 0 to 120             |
| B                | 120 to 140           |
| C                | >140 to 155          |
| D                | >155 to 170          |
| E                | >170 to 190          |
| F                | >190 to 225          |
| G                | >225                 |

## PRSI

### Class A

#### For year 2015

| Income                             | Employee<br>PRSI | Employer<br>PRSI |
|------------------------------------|------------------|------------------|
| €38 to €352* per week              | Nil              | 8.5%             |
| Up to €352* to €376* per week      | 4%               | 8.5%             |
| Income greater than €376* per week | 4%               | 10.75%           |

\* An employee PRSI credit applies from 1 January 2016. This PRSI credit is for a maximum of €12 per week and is available to Class A employees with gross earnings between €352 and €424 per week. The credit is reduced by one sixth of the gross earnings in excess of €352 per week.

## Self Employed

| Income     | PRSI (Min) | Minimum Contribution | Exemption Threshold |
|------------|------------|----------------------|---------------------|
| All Income | 4%         | €500                 | €5,000 p.a.         |

## USC

|                    | Aged under 70 years |               | Aged over 70 years |               |
|--------------------|---------------------|---------------|--------------------|---------------|
|                    | No medical card     | Medical card  | No medical card    | Medical card  |
| Income per annum   | Rate                | Rate          | Rate               | Rate          |
| Up to €12,012*     | 1%                  | 1%            | 1%                 | 1%            |
| €12,013 to €18,668 | 3%                  | 3%            | 3%                 | 3%            |
| €18,669 to €70,044 | 5.5%                | 3.5% / 5.5%** | 3.5% / 5.5%**      | 3.5% / 5.5%** |
| The Remainder***   | 8%                  | 8%            | 8%                 | 8%            |

\* An individual is exempt from USC if their total income does not exceed €13,000.

\*\*3% if aggregate income is €60,000 or less. 5.5% if aggregate income exceeds €60,000.

\*\*\*A rate of 11% applies to relevant income in excess of €100,000.

## Rates of Corporation Tax

| Accounting Period           | Standard Rate | Higher Rate * | Lower Rate |
|-----------------------------|---------------|---------------|------------|
| Year ended 31/12/03 onwards | 12.5%         | 25%           | 12.5%      |

\* Higher rate applies to Case III, Case IV and Case V and income from dealing in non-residential land

## Capital Gains Tax

|                  |         |
|------------------|---------|
| Rate             | 33%     |
| Annual exemption | € 1,270 |

## Capital Acquisition Tax Class Thresholds 2013

| Group | Relationship to Disposer                        | Group Threshold from 14 October 2015 |
|-------|---|--------------------------------------|
| A     | Son/Daughter                                    | € 280,000                            |
| B     | Parent*/Brother/Sister/ Niece/Nephew/Grandchild | € 30,150                             |
| C     | Relationship other than Group A or B            | € 15,075                             |

\*In certain circumstances a parent taking an inheritance from a child can qualify for Group A threshold.

| Rate of Capital Acquisition Tax     | Threshold Amount | Balance |
|-------------------------------------|------------------|---------|
| Benefits taken from 6 December 2012 | Nil              | 33%     |

## Rates of Stamp Duty

### Residential Property

Rates of duty for deeds executed on or after 8 December 2010

| Aggregate Consideration | Rate of Duty |
|-------------------------|--------------|
| First €1,000,000        | 1%           |
| Excess over €1,000,000  | 2%           |

### Non-Residential Property

A rate of 2% applies to all transfers of non-residential property with effect from 7 December 2011.

### Stocks and Marketable Securities

|                 |    |
|-----------------|----|
| Rate applicable | 1% |
|-----------------|----|

## Value Added Tax

### Registration Limits

|                                      |          |
|--------------------------------------|----------|
| Turnover from the supply of goods    | € 75,000 |
| Turnover from the supply of services | € 37,500 |

### VAT Rates

|                                     |       |
|-------------------------------------|-------|
| Standard                            | 23%   |
| Lower                               | 13.5% |
| Additional lower rate from 1/7/2011 | 9%    |
| Flat rate for farmers               | 5.2%  |
| Zero                                | 0%    |

## Interest on overdue tax

Tax due up until 31 August 2002 interest 1% per month or part of a month.

Tax due 1 September 2002 to 1 March 2005 interest .0322% per day.

Tax due 1 April 2005 to 30 June 2009 interest .0273% per day

Thereafter interest .0219% per day.

## Revenue Audit - Penalties

### Penalties under section 1077E TCA 1997 and the 2014 Revenue Audit Code

PENALTY TABLE 1

| PENALTY TABLE 1  |   | NO QUALIFYING DISCLOSURE |                   | QUALIFYING DISCLOSURE                           |   |
|--|---|--------------------------|-------------------|---|---|
|  | Category of Tax Default                             | NO CO-OPERATION          | CO-OPERATION ONLY | Prompted Qualifying Disclosure and co-operation | Unprompted Qualifying Disclosure and co-operation |
| The tax-gearred penalty is a percentage of the underpaid tax |   |                          |                   |   |   |
| FIRST DEFAULT  | Deliberate behaviour                                | 100%                     | 75%               | 50%   | 10%   |
|  | Careless behaviour with significant consequences    | 40%                      | 30%               | 20%   | 5%  |
| ALL DEFAULTS   | Careless behaviour without significant consequences | 20%                      | 15%               | 10%   | 3%  |
| SECOND DEFAULT   | Deliberate behaviour                                | 100%                     | 75%               | 75%   | 55%   |
|  | Careless behaviour with significant consequences    | 40%                      | 30%               | 30%   | 20%   |
| THIRD OR SUBSEQUENT DEFAULT                                  | Deliberate behaviour                                | 100%                     | 75%               | 100%  | 100%  |
|  | Careless behaviour with significant consequences    | 40%                      | 30%               | 40%   | 40%   |

‘Significant consequences’ means the difference between the tax underpaid is greater than 15% of the correct tax payable for the relevant period.

## Indexation Factors for Capital Gains Tax to 2003

| Year                 | Multiple for disposals in Year to 5 April |       |       |       |       |       |       |       |       |       |       |       | Year Ending 31 Dec. |       |       |              |
|----------------------|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------------------|-------|-------|--------------|
| Expenditure Incurred | 1990                                      | 1991  | 1992  | 1993  | 1994  | 1995  | 1996  | 1997  | 1998  | 1999  | 2000  | 2001  | 2001                | 2002  | 2003  | 2004 onwards |
| 1974/75              | 5.009                                     | 5.221 | 5.355 | 5.552 | 5.656 | 5.754 | 5.877 | 6.017 | 6.112 | 6.215 | 6.313 | 6.582 | 6.930               | 7.180 | 7.528 | 7.528        |
| 1975/76              | 4.046                                     | 4.217 | 4.326 | 4.484 | 4.568 | 4.647 | 4.764 | 4.860 | 4.936 | 5.020 | 5.099 | 5.316 | 5.597               | 5.799 | 6.080 | 6.080        |
| 1976/77              | 3.485                                     | 3.633 | 3.726 | 3.863 | 3.935 | 4.003 | 4.104 | 4.187 | 4.253 | 4.325 | 4.393 | 4.580 | 4.822               | 4.996 | 5.238 | 5.238        |
| 1977/78              | 2.988                                     | 3.114 | 3.194 | 3.312 | 3.373 | 3.432 | 3.518 | 3.589 | 3.646 | 3.707 | 3.766 | 3.926 | 4.133               | 4.283 | 4.490 | 4.490        |
| 1978/79              | 2.760                                     | 2.877 | 2.951 | 3.059 | 3.117 | 3.171 | 3.250 | 3.316 | 3.368 | 3.425 | 3.479 | 3.627 | 3.819               | 3.956 | 4.148 | 4.148        |
| 1979/80              | 2.490                                     | 2.596 | 2.663 | 2.760 | 2.812 | 2.861 | 2.933 | 2.992 | 3.039 | 3.090 | 3.139 | 3.272 | 3.445               | 3.570 | 3.742 | 3.742        |
| 1980/81              | 2.156                                     | 2.247 | 2.305 | 2.390 | 2.434 | 2.477 | 2.539 | 2.590 | 2.631 | 2.675 | 2.718 | 2.833 | 2.983               | 3.091 | 3.240 | 3.240        |
| 1981/82              | 1.782                                     | 1.857 | 1.905 | 1.975 | 2.012 | 2.047 | 2.099 | 2.141 | 2.174 | 2.211 | 2.246 | 2.342 | 2.465               | 2.554 | 2.678 | 2.678        |
| 1982/83              | 1.499                                     | 1.563 | 1.603 | 1.662 | 1.693 | 1.722 | 1.765 | 1.801 | 1.829 | 1.860 | 1.890 | 1.970 | 2.074               | 2.149 | 2.253 | 2.253        |
| 1983/84              | 1.333                                     | 1.390 | 1.425 | 1.478 | 1.505 | 1.531 | 1.570 | 1.601 | 1.627 | 1.654 | 1.680 | 1.752 | 1.844               | 1.911 | 2.003 | 2.003        |
| 1984/85              | 1.210                                     | 1.261 | 1.294 | 1.341 | 1.366 | 1.390 | 1.425 | 1.454 | 1.477 | 1.502 | 1.525 | 1.590 | 1.674               | 1.735 | 1.819 | 1.819        |
| 1985/86              | 1.140                                     | 1.188 | 1.218 | 1.263 | 1.287 | 1.309 | 1.342 | 1.369 | 1.390 | 1.414 | 1.436 | 1.497 | 1.577               | 1.633 | 1.713 | 1.713        |
| 1986/87              | 1.090                                     | 1.136 | 1.165 | 1.208 | 1.230 | 1.252 | 1.283 | 1.309 | 1.330 | 1.352 | 1.373 | 1.432 | 1.507               | 1.562 | 1.637 | 1.637        |
| 1987/88              | 1.054                                     | 1.098 | 1.126 | 1.168 | 1.190 | 1.210 | 1.241 | 1.266 | 1.285 | 1.307 | 1.328 | 1.384 | 1.457               | 1.510 | 1.583 | 1.583        |
| 1988/89              | 1.034                                     | 1.077 | 1.105 | 1.146 | 1.167 | 1.187 | 1.217 | 1.242 | 1.261 | 1.282 | 1.303 | 1.358 | 1.430               | 1.481 | 1.553 | 1.553        |
| 1989/90              | -   | 1.043 | 1.070 | 1.109 | 1.130 | 1.149 | 1.178 | 1.202 | 1.221 | 1.241 | 1.261 | 1.314 | 1.384               | 1.434 | 1.503 | 1.503        |
| 1990/91              | -   | -     | 1.026 | 1.064 | 1.084 | 1.102 | 1.130 | 1.153 | 1.171 | 1.191 | 1.210 | 1.261 | 1.328               | 1.376 | 1.442 | 1.442        |
| 1991/92              | -   | -     | -     | 1.037 | 1.056 | 1.075 | 1.102 | 1.124 | 1.142 | 1.161 | 1.179 | 1.229 | 1.294               | 1.341 | 1.406 | 1.406        |
| 1992/93              | -   | -     | -     | -     | 1.019 | 1.037 | 1.063 | 1.084 | 1.101 | 1.120 | 1.138 | 1.186 | 1.249               | 1.294 | 1.356 | 1.356        |
| 1993/94              | -   | -     | -     | -     | -     | 1.018 | 1.043 | 1.064 | 1.081 | 1.099 | 1.117 | 1.164 | 1.226               | 1.270 | 1.331 | 1.331        |
| 1994/95              | -   | -     | -     | -     | -     | -     | 1.026 | 1.046 | 1.063 | 1.081 | 1.098 | 1.144 | 1.205               | 1.248 | 1.309 | 1.309        |
| 1995/96              | -   | -     | -     | -     | -     | -     | -     | 1.021 | 1.037 | 1.054 | 1.071 | 1.116 | 1.175               | 1.218 | 1.277 | 1.277        |
| 1996/97              | -   | -     | -     | -     | -     | -     | -     | -     | 1.016 | 1.033 | 1.050 | 1.094 | 1.152               | 1.194 | 1.251 | 1.251        |
| 1997/98              | -   | -     | -     | -     | -     | -     | -     | -     | -     | 1.017 | 1.033 | 1.077 | 1.134               | 1.175 | 1.232 | 1.232        |
| 1998/99              | -   | -     | -     | -     | -     | -     | -     | -     | -     | -     | 1.016 | 1.059 | 1.115               | 1.156 | 1.212 | 1.212        |
| 1999/00              | -   | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 1.043 | 1.098               | 1.138 | 1.193 | 1.193        |
| 2000/01              | -   | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | 1.053               | 1.091 | 1.144 | 1.144        |
| 2001                 | -   | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -                   | 1.037 | 1.087 | 1.087        |
| 2002                 | -   | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -                   | -     | 1.049 | 1.049        |
| 2003                 | -   | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -                   | -     | -     | -            |

### Notes:

1. The year e.g. 1974/5 means the year commencing on 6/4/74 and ending on 5/4/75.
2. The year 2001 onwards means the year commencing 1st January and ending 31st December
3. No indexation for expenditure made within 12 months prior to the date of disposal.