TAX REFERENCE TABLES

Formation 2 Examination 2020

The following rates, formulae and allowances are based on Finance Act 2018 and are to be used for all questions on this paper.

Rates of Income Tax

		Taxed @ 20%	Taxed @ 40%
Single, widowed or surviving civil partner		€35,300	Balance
Single or widowed or surviving civil partner	Qualifying for single person child carer credit	€39,300	Balance
Married or in civil partnership:	One Income	€44,300	Balance
Married or in civil partnership:	*Dual Income	€70,600	Balance

* Increased standard rate band of up to € 26,300 or the income of the lower earner where both spouses have income.

Income Tax Exemption Limits for Aged Over 65

Single, widowed or a surviving civil partner	€ 18,000
Married couple or in a civil partnership	€ 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 with dependant child		€ 1,650
Widowed Person or Surviving Civil Partner without dependent children		€ 2,190
Widowed Person or Surviving Civil Partner in year of bereavement		€ 3,300
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		€ 1,650
Incapacitated Child		€ 3,300
Dependent relative (income limit €14,753)		€ 70
PAYE Tax Credit		€ 1,650
Earned Income Tax Credit		€ 1,350
Home Carer (max)		€ 1,500
Age Tax Credit if Single or Widowed or Surviving Civil Partner		€ 245
Age Tax Credit if Married or In a Civil Partnership		€ 490
Third level tuition fees		
	Upper limit €7,000	
	Full time qualifying courses disregard amount €3,000	
	Part-time qualifying courses disregard amount €1,500	
Health expenses		
	Qualifying health care expenses @ 20%	

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%

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 present value of the amount of any tax free lump sum from the pension scheme)

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

Note: Lifetime limit of €200,000 applicable.

Capital Allowances

Asset	Note	Rate
Plant and machinery		12.5%
Motor vehicles	*Limits for passenger motor cars	12.5%
Industrial building		4%
Farm building		15% for 6 years 10% in 7th year

Motor Cars - Limits on capital cost

Category	Emissions	Qualifying Cost
A/B/C	0 – 155g/km	€24,000
D/E	156 -190g/km	Lower of 50% of cost or 50% of €24,000
F/G	191g/km+	No capital allowances

Note: the above capital cost limits also apply in determining the allowable expense for leases of motor cars.

Motor Cars - Benefit in Kind

Annual business kilometres	% Original MV
Up to 24,000	30%
24,001 to 32,000	24%
32,001 to 40,000	18%
40,001 to 48,000	12%
48,001 and over	6%

Preferential Loans – Benefit in Kind

Expenditure incurred	Rate
Qualifying Home Loan	4%
All other loans	13.5%

PRSI

Employee Class A

Income	Employee PRSI	Employer PRSI
€38 to €352* per week	Nil	8.7%
Up to €352.01* to €386* per week	4%	8.7%
Income greater than €386* per week	4%	10.95%

* 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 Class S

Income	Minimum Contribution	Exemption Threshold
All Income @ 4%	€500	€5,000 p.a.

USC:

Income	Standard Rate	Reduced rate
First €12,012	0.5%	0.5%
€12,013 to €19,874	2%	2%
€19,875 to €70,044	4.5%	2% / 4.5%*
Over €70,044	8%	2%

* 4.5% applies if aggregate income exceed €60,000

Exemptions from USC

- An individual is exempt from USC if their total income does not exceed €13,000.
- Income subject to DIRT is exempt from USC
- Department of social protection payments are exempt from USC

USC Surcharge

- Non PAYE income in excess of €100,000 is subject to an additional 3% USC surcharge

Corporation Tax

Standard Rate	12.5%
Higher Rate	25%

Capital Gains Tax

Rate	33%
Annual exemption	€ 1,270
Revised Entrepreneur Relief (subject to limit of €1million gain)	10%

Value Added Tax

Registration Limits

Turnover from the supply of goods	€75,000
Turnover from the supply of services	€37,500
Distance sales threshold	€35,000
Intra-community acquisitions	€41,000

VAT Rates

Standard rate	23%
Reduced rate	13.5%
Second reduced rate	9%
Flat rate addition	5.4%

Interest on late payment of tax

Self assessment taxes	.0219% per day
Fiduciary taxes	.0274% per day

Revenue Audit - Penalties

Abbreviated table of penalties

Category of behaviour	Full cooperation not given by tax payer	Prompted qualifying disclosure and full cooperation	Unprompted qualifying disclosure and full cooperation
Careless behaviour without significant consequences	20%	10%	3%
Careless behaviour with significant consequences	40%	20%	5%
Deliberate behaviour	100%	50%	10%

Indexation factors for Capital Gains Tax

Tax Year Expenditure Incurred	Indexation Factor for disposals in Tax Year 2004 et seq
1974/75	7.528
1975/76	6.080
1976/77	5.238
1977/78	4.490
1978/79	4.148
1979/80	3.742
1980/81	3.240
1981/82	2.678
1982/83	2.253
1983/84	2.003
1984/85	1.819
1985/86	1.713
1986/87	1.637
1987/88	1.583
1988/89	1.553
1989/90	1.503
1990/91	1.442
1991/92	1.406
1992/93	1.356
1993/94	1.331
1994/95	1.309
1995/96	1.277
1996/97	1.251
1997/98	1.232
1998/99	1.212
1999/00	1.193
2000/01	1.144
2001	1.087
2002	1.049
2003 et seq.	1.000