



## Budget 2020 – Key Points

1. No change in **Income tax and USC** rates and bands for 2020. However, two tax credits are increased including
  - **Earned income tax credit** for the self-employed and proprietary directors increased by €150 to €1,500 for 2020 and
  - The **Home Carer tax credit** increases by €100 to €1,600 for 2020.
2. **Employer's Class A PRSI rate** increases to 11.05% in 2020 (for those with earnings over €386 pw).
3. **DIRT** reduces to 33% in 2020.
4. **Exit Tax**, no change announced in the rate of 41% or in the 1% insurance premium levy.
5. **No State Pension increases** for 2020 but two allowances are increased from March 2020:
  - The Living Alone allowance by €5 pw to €14 pw o
  - The Qualified Child by €3 pw for under 12s and by €2 pw for the over 12s to €36 pw and €40 pw respectively.
6. No changes announced in **private pension tax reliefs** or taxation of benefits.
7. **CAT Class A** Threshold increased by €15,000 to €335,000 from 9<sup>th</sup> October 2019.
8. The annual limit for tax relief on investing in **Employment and Investment Incentive (EII)** is increased from €150,000 to €250,000 from 8<sup>th</sup> October 2019 and to €500,000 for those who invest for at least 10 years.
9. The **Help to Buy tax rebate** scheme extended to end of 2021.
10. **Stamp Duty rate** on purchase of commercial property increased to 7.5% from 8<sup>th</sup> October 2019.
11. **Dividend Withholding Tax (DWT)** increases from 20% to 25% from 1st January 2021.
12. **Other taxation** and pension changes not announced in the Budget could be introduced later in the Finance Bill 2019.