

# Ready Reckoner - Pre Budget 2018

Prepared by Statistics & Economic Research Branch, Revenue Commissioners

July 2017

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. Unless otherwise indicated, 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.

Revenue's Statistics webpage: <http://www.revenue.ie/en/corporate/information-about-revenue/statistics/index.aspx>

Email: [statistics@revenue.ie](mailto:statistics@revenue.ie)

### Income Tax & Universal Social Charge

These following costs / yields are based on 2018 estimates from the Revenue tax forecasting model using latest actual data for the year 2015, adjusted as necessary for income, self-employment and employment trends in the interim.

The Income Tax & Universal Social Charge (USC) Ready Reckoner covers the following:

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## Revenue Ready Reckoner

### Estimated Income Earners by Income Tax and USC Rates in 2018\*

		Number of Taxpayer Units**	% of Taxpayer Units
Income Tax*	Higher rate (40%)	550,400	21
	Standard rate (20%)	1,109,800	42
	Exempt	956,100	37
USC*	8% rate	224,100	9
	5% rate	1,134,800	43
	2.5% rate	487,600	19
	Exempt	769,800	29
Paying neither Income Tax or USC		769,800	29
<b>Total Income Earners</b>		<b>2,616,300</b>	

\* Shows the breakdown by the highest rate of Income Tax and USC paid by Taxpayer unit.

\*\*Married persons or civil partners who have elected or who have been deemed to have elected for joint assessment are counted as one tax unit.

The figures in this table are subject to rounding to the nearest hundred.

## Revenue Ready Reckoner

### Income Earners by Gross Income Range in 2018

€		Number of Taxpayer Units	€ Million Income	€ Million Tax/USC
Range of Gross Income				
0	10,000	463,853	2,095	1.2
10,000	13,000	128,999	1,483	1.1
13,000	15,000	92,035	1,289	1.0
15,000	18,000	132,516	2,200	3.2
18,000	20,000	99,788	1,893	5.6
20,000	25,000	217,174	4,882	24.2
25,000	27,000	60,698	1,559	9.8
27,000	30,000	121,577	3,465	25.3
30,000	35,000	190,281	6,175	54.6
35,000	40,000	160,748	5,985	66.1
40,000	50,000	255,992	11,439	162.2
50,000	60,000	184,759	10,111	174.3
60,000	70,000	123,126	7,970	152.1
70,000	75,000	48,236	3,497	71.2
75,000	80,000	42,579	3,295	69.9
80,000	90,000	66,365	5,616	126.9
90,000	100,000	50,304	4,767	115.5
100,000	150,000	110,204	13,172	365.1
150,000	200,000	32,049	5,470	178.7
200,000	275,000	17,469	4,036	143.5
Over	275,000	17,517	11,335	482.2
Total		2,616,269	111,734	22,316

\*Married persons or civil partners who have elected or who have been deemed to have elected for joint assessment are counted as one tax unit.

The Income Tax/USC figures do not take into account the Earned Income Credit.

## Revenue Ready Reckoner

### Increases and Decreases to Income Tax and USC Rates

		€ Million	
		First Year	Full Year
Cost of 1% point decrease in Income Tax rates	20% rate	-523	-606
	40% rate	-271	-330
Yield from 1% point increase in Income Tax rates	20% rate	526	609
	40% rate	269	328
Yield from introduction of 3rd rate of Income Tax of 41%	Earnings over 80,000	109	141
	Earnings over 100,000	86	115
	Earnings over 120,000	73	98
Yield from introduction of 3rd rate of Income Tax of 43%	Earnings over 80,000	326	424
	Earnings over 100,000	259	344
	Earnings over 120,000	218	294
Cost of 1% point decrease in Universal Social Charge rates	Decrease 0.5% rate to 0%	-111	-129
	Decrease 2.5% rate to 1.5%*	-141	-164
	Decrease 5.0% to 4.0%	-336	-392
	Decrease 8% rate to 7%**	-136	-177
Yield from 1% point increase in Universal Social Charge rates	Increase 0.5% rate to 1.5%	222	258
	Increase 2.5% rate to 3.5%*	141	164
	Increase 5.0% rate to 6.0%	336	392
	Increase 8% rate to 9%**	136	177

\* Includes the reduced rate USC for Medical Card holders.

\*\*Includes those paying the 3% surcharge (11% effective rate) for non-PAYE income that exceeds €100,000 in a year.

## Revenue Ready Reckoner

### Cost of Increasing Income Tax Credits

		€ Million	
		First Year	Full Year
Increase Single Persons Credit by €100	From €1,650 to €1,750	74	86
Increase Married or in a Civil Partnership Credit by €200	From €3,300 to €3,500	122	142
Increase Widowed Person or surviving Civil Partner (without qualifying child) Credit by €100	From €1,650 to €1,750	5.4	6.3
Increase Single Person Child Carer Tax Credit by €100	From €1,650 to €1,750	3.2	3.6
Increase PAYE Credit by €50	From €1,650 to €1,700	84	97
Increase Earned Income Credit by €50	From €950 to €1,000	4.2	7.6
Increase Earned Income Credit by €150	From €950 to €1,100	13	23
Increase Earned Income Credit by €700	From €950 to €1,650	59	106
Increase Home Carer's Credit by €50	From €1,100 to €1,150	3.5	4
Increase Dependent Relative Credit by €20	From €70 to €90	0.5	0.6
Increase Incapacitated Child Credit by €100	From €3,300 to €3,400	1.7	1.9
Increase Blind Persons Credit (incl. Guide Dog)		0.5	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 or surviving Civil Partner Bereavement Credit by €100		0.17	0.2
Increase Age Credit		11	13
By €50 for single/widow/surviving Civil Partner	From €245 to €295		
By €100 for married/civil partners	From €490 to €590		

## Revenue Ready Reckoner

### Cost of Widening of Income Tax Standard Rate Bands

Single & Widowed or surviving Civil Partner without qualifying child - Current Band €33,800			
Band Increase	Revised Band	€ Million First Year Cost	€ Million Full Year Cost
€100	€33,900	7.6	8.7
€500	€34,300	37.4	42.9
€1,000	€34,800	73.8	84.6
€1,500	€35,300	109	125

Married or in a Civil Partnership, one Spouse or Civil Partner with Income - Current Band €42,800			
Band Increase	Revised Band	€ Million First Year Cost	€ Million Full Year Cost
€100	€42,900	2.5	2.9
€500	€43,300	12.2	14.2
€1,000	€43,800	24.3	28.3
€1,500	€44,300	36	42

Married or in a Civil Partnership, both Spouses or Civil Partners with Income - Current Bands €42,800 for Major Earner and €24,800 for Minor Earner				
Band Increase	Revised Band Major Earner	Revised Band Minor Earner	€ Million First Year Cost	€ Million Full Year Cost
€100	€42,900	€24,900	7.8	9.1
€500	€43,300	€25,300	38.7	45.0
€1,000	€43,800	€25,800	76.5	89.0
€1,500	€44,300	€26,300	113	132

Total Cost of Band Widening		
Band Increase	€ Million First Year Cost	€ Million Full Year Cost
€100	18	21
€500	88	102
€1,000	175	202
€1,500	258	299

Assumes that the maximum allowable transferability of €9,000 across the board.

These costs do not take into account the Earned Income Credit.

## Revenue Ready Reckoner

### Cost of Increasing USC Rate Bands

		€ Million	
		First Year	Full Year
Income under €13,000 is exempt	Increase by €100 to €13,100	0.4	0.5
	Increase by €500 to €13,500	2.3	2.7
	Increase by €1,000 to €14,000	4.7	5.6
	Increase by €1,500 to €14,500	8	9
First €12,012 is charged at 0.5% *	Increase by €100 to €12,112	3.7	4.3
	Increase by €500 to €12,512	19	23
	Increase by €1,000 to €13,012	37	43
	Increase by €1,500 to €13,512	55	65
From €12,013 to €18,772 is charged at 2.5% *	Increase by €100 to €12,113 and €18,872	7.6	8.8
	Increase by €500 to €12,513 and €19,272	36	42
	Increase by €1,000 to €13,013 and €19,772	71	82
	Increase by €1,500 to €13,513 and €20,272	106	123
From €18,773 to €70,044 is charged at 5% *	Increase by €100 to €18,873 and €70,144	4.5	5.3
	Increase by €500 to €19,273 and €70,544	21	24
	Increase by €1,000 to €19,773 and €71,044	40	47
	Increase by €1,500 to €20,273 and €71,544	60	70
Above €70,045 is charged at 8%*	Increase by €500 to €70,545	3.2	3.8
	Increase by €1,000 to €71,045	6.4	7.6
	Increase by €2,000 to €72,045	13	15
	Increase by €5,000 to €75,045	30	36

\* The €13,000 exemption threshold remains unchanged for the USC rate band increases.



## Revenue Ready Reckoner

### Cost of Increasing Income Tax Exemption Limits

		€ Million	
		First Year	Full Year
Aged 65 and over	By €100 for single/widow/surviving civil partner and €200 married/civil partnership	2.8	3.2
	By €300 for single/widow/surviving civil partner and €600 married/civil partnership	8.5	9.8
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

## Revenue Ready Reckoner

### Cost of Indexation

		€ Million	
		First Year	Full Year
Indexation at 1%	Personal Tax Credits (incl Home Carer's Credit) with rate bands	100	116
	Exemption limits, Personal Tax Credits with rate bands	105	121
	PAYE Credit, Exemption limits, Personal Tax Credits with rate bands	133	154
	Earned Income Credit	0.8	1.5
	USC rate bands and exemption limits	16	19

## Revenue Ready Reckoner

### Changes to Income Tax Relief on Pensions

Cost (in € Million) of decreasing the ceiling for occupational pension schemes, RACs and PRSAs and / or reducing the marginal effective rate applicable to these reliefs.

	Rate					
	40%	39%	34%	33%	30%	20%
€200,000	-15	3	92	110	164	342
€150,000	-9	8	97	115	168	345
€120,000	-2	16	103	121	174	349
€115,000	0*	17	105	122	175	350
€110,000	9	26	113	130	182	354
€105,000	19	36	121	138	189	359
€100,000	29	45	129	146	197	364
Ceiling €95,000	40	56	139	155	205	370
€90,000	52	68	149	165	214	376
€85,000	65	81	160	176	224	382
€80,000	79	94	172	187	234	389
€75,000	94	109	185	200	245	397
€70,000	110	125	199	213	258	405
€65,000	128	142	214	228	271	414
€60,000	147	161	230	244	285	424

\*Current rate and ceiling.

## Revenue Ready Reckoner

### Deposit Interest Retention Tax (DIRT)

		€ Million Full Year
Reduction in the Standard Rate of DIRT	From 39% to 38%	-3.2
	From 39% to 37%	-6.4
	From 39% to 35%	-12.8
Increase in the Standard Rate of DIRT	From 39% to 40%	3.2
	From 39% to 41%	6.4
	From 39% to 43%	12.8

**Capital Gains Tax (CGT)**

		€ Million	
		First Year	Full Year
Reduction in the CGT Rate	From 33% to 32%	-3	-29
	From 33% to 31%	-6	-57
	From 33% to 28%	-14	-143
Increase in the CGT Rate	From 33% to 34%	3	29
	From 33% to 35%	6	57
	From 33% to 38%	14	143
Increase in Annual Exemption	From €1,270 to €1,770	0	-3

## Capital Acquisitions Tax (CAT)

The CAT Ready Reckoner covers the following:

Effects of Changes in CAT Rates, Thresholds or Reliefs	Page 15
Effect of Simultaneous Change in CAT Rate and Thresholds	Page 16
Effect on Categories of Changing a Single CAT Threshold	Page 17

## Revenue Ready Reckoner

### Effects of Changes in CAT Rates, Thresholds or Reliefs

		€ Million	
		First Year	Full Year
Reduction in the CAT Rate (on or after October 2017)	From 33% to 32%	-12	-13
	From 33% to 30%	-34	-40
	From 33% to 28%	-57	-67
	From 33% to 23%	-115	-133
Increase in the CAT Rate (on or after October 2017)	From 33% to 34%	12	13
	From 33% to 36%	34	40
	From 33% to 38%	57	67
	From 33% to 43%	115	133
Increase in tax free thresholds (on or after October 2017)*	By 1%	-3.2	-3.7
	By 3%	-9.2	-10.8
	By 5%	-14.9	-17.4
	By 10%	-27.9	-32.5
Decrease in tax free thresholds (on or after October 2017)*	By 1%	3.3	3.9
	By 3%	10.0	11.6
	By 5%	16.6	19.3
	By 10%	33.2	38.6
Reduce Agricultural Relief (on or after October 2017)	From 90% to 80%	6.7	7.7
	From 90% to 70%	14.9	17.3
	From 90% to 60%	24.8	28.8
	From 90% to 50%	35.8	41.6
Reduce Business Relief (on or after October 2017)	From 90% to 80%	5.9	6.8
	From 90% to 70%	12.7	14.8
	From 90% to 60%	20.2	23.6
	From 90% to 50%	28.4	33.0

\*Thresholds are currently €310,000 for Category A, €32,500 for Category B and €16,250 for Category C.

## Revenue Ready Reckoner

### Effect of Simultaneous Change in CAT Rate and Thresholds

The estimated cost of any given increase in thresholds and simultaneous decrease in rate does not result in an equal estimated yield for an equivalent decrease in thresholds and simultaneous increase in rate. This is due to the interaction of the CAT rate with differing thresholds in each of the three categories.

€ Million

		Percentage Change in Thresholds*								
		-10%	-5%	-3%	-1%	0%	+1%	+3%	+5%	+10%
Rate**	23%	-106	-120	-125	-131	-133	-136	-141	-145	-155
	28%	-34	-50	-59	-63	-67	-70	-76	-81	-94
	30%	-5	-22	-29	-37	-40	-43	-50	-56	-70
	32%	24	5	-2	-10	-13	-17	-24	-30	-45
	33%	39	19	12	4	0	-4	-11	-17	-32
	34%	53	33	25	17	13	9	2	-5	-20
	36%	82	61	53	44	40	36	28	21	5
	38%	111	89	80	71	67	62	54	47	29
	43%	183	158	148	138	133	128	119	111	91

\*Percentage changes applied to each of the three categories.

\*\*The current rate of CAT is 33%.

Thresholds are currently €310,000 for Category A, €32,500 for Category B and €16,250 for Category C.



## Revenue Ready Reckoner

### Effect on Categories of Changing a Single CAT Threshold

€ Million

		Percentage Change in Thresholds								
		-10%	-5%	-3%	-1%	0%	+1%	+3%	+5%	+10%
Threshold	A	27.6	13.8	8.3	2.8	0.0	-2.5	-7.6	-12.0	-21.9
	B	9.2	4.6	2.8	0.9	0.0	-1.0	-2.7	-4.5	-8.8
	C	1.8	0.9	0.5	0.2	0.0	-0.2	-0.5	-0.9	-1.8
	Total	38.6	19.3	11.6	3.9	0.0	-3.7	-10.8	-17.4	-32.5

Thresholds are currently €310,000 for Category A, €32,500 for Category B and €16,250 for Category C.

## Revenue Ready Reckoner

### Stamp Duty

		€ Million Full Year
Residential Property***	Increase Stamp Duty by 0.5% to 1.5% on consideration below €1,000,000	73
	Decrease Stamp Duty by 0.5% on consideration below €1,000,000	-73
	Increase Stamp Duty to 2.5% on excess above €1,000,000	2
	Increase Stamp Duty to 3% on excess above €1,000,000	3
	Increase Stamp Duty to 4% on excess above €1,000,000	7
	Increase Stamp Duty to 5% on excess above €1,000,000	10
	Decrease Stamp Duty to 1.5% on excess above €1,000,000	-2
	Decrease Stamp Duty to 1.0% on excess above €1,000,000	-3
	Decrease Stamp Duty to 0.5% on excess above €1,000,000	-5
	Abolish Stamp Duty on excess above €1,000,000	-7
	Increase Stamp Duty to 2% on excess above €500,000	15
	Increase Stamp Duty to 2% on excess above €600,000	11
	Increase Stamp Duty to 2% on excess above €700,000	8
	Increase Stamp Duty to 2% on excess above €800,000	6
	Increase Stamp Duty to 2% on excess above €900,000	4
Non-Residential Property	Increase Stamp Duty by 0.5% to 2.5%	47
	Decrease Stamp Duty by 0.5% to 1.5%	-47
	Increase Stamp Duty to 3% on excess above €500,000	78
	Increase Stamp Duty to 3% on excess above €600,000	77
	Increase Stamp Duty to 3% on excess above €700,000	76
	Increase Stamp Duty to 3% on excess above €800,000	74
	Increase Stamp Duty to 3% on excess above €900,000	73
Shares	Increase the rate to 1.1%*	43
	Decrease the rate to 0.9%*	-43
Cheques and financial Cards	Increase Stamp Duty on business cheques by 50%	7.2
	Increase Stamp Duty on personal cheques by 50%	3.9
	Abolishing duty on credit cards	-59
	10% increase in the Stamp Duty on credit cards	5.9
	10% decrease in the Stamp Duty on credit cards	-5.9
	Abolishing duty on cash cards**	-24
	10% increase in the Stamp Duty on cash cards**	2.4
10% decrease in the Stamp Duty on cash cards**	-2.4	

\* Current rate of Stamp Duty on shares is 1%. \*\* Includes ATM cards, debit cards and combined ATM/debit cards. \*\*\* Stamp duty on residential property is currently 1% on consideration below €1 million and 2% on any excess.

### Excise

The Excise Ready Reckoner covers the following:

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Excise - Tobacco	Page 22
Excise - Betting Duty	Page 23

## Revenue Ready Reckoner

### Excise - Oils

		€ Million
		Full Year
Unleaded petrol (per litre)	Increase by 1 cent	11
	Increase by 3 cent	32
	Increase by 5 cent	53
	Increase by 10 cent	105
Auto diesel (per litre)	Increase by 1 cent	26
	Increase by 3 cent	76
	Increase by 5 cent	127
	Increase by 10 cent	251

The increase amounts and the resulting Full Year estimates are inclusive of VAT.

## Revenue Ready Reckoner

### Excise - 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	66
Spirits (per half glass)	Increase by 1 cent	4
	Increase by 3 cent	11
	Increase by 5 cent	18
	Increase by 10 cent	36
Cider & perry (per pint)	Increase by 1 cent	1
	Increase by 3 cent	3
	Increase by 5 cent	4
	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	28

The increase amounts and the resulting Full Year estimates are inclusive of VAT.

## Revenue Ready Reckoner

### Excise - Tobacco

		€ Million
		Full Year
Cigarettes (per pack of 20)	Increase by 5 cent	In the range from -3 to +6
	Increase by 10 cent	In the range from -7 to +12
	Increase by 25 cent	In the range from -18 to +31
	Increase by 50 cent	In the range from -40 to +61

Forecast receipts of tobacco products tax use an elasticity measure to partially reflect the responsiveness (or change in behaviour) of smokers following duty and price changes. Increases in duties are forecast to lead to increases in receipts, albeit recognising that some smokers will consume less and consequently some of the increases in receipts from higher prices are negated. Further cigarette price rises, particularly at the higher end, may not increase Excise receipts and this is indicated through the use of the range of estimates above. To reflect the potential variations in consumption change in smokers, the range above is based on varying the elasticities used in the forecast calculation. The elasticities used are derived from research conducted by Revenue.

## Revenue Ready Reckoner

### Excise - Betting Duty

		€ Million
		Full Year
Additional Total Revenue	Increase by 0.5 per cent	25
	Increase by 1 per cent	50
	Increase by 1.5 per cent	75
	Increase by 2 per cent	100
	Increase by 2.5 per cent	125
	Increase by 3 per cent	150

## Value Added Tax (VAT)

The VAT Ready Reckoner covers the following:

Activity by VAT rate	Page 25
Increases and decreases to VAT rates	Page 26
Increases in VAT registration thresholds	Page 27



## Revenue Ready Reckoner

### Activity by VAT Rate

	% of Activity	% of Tax Receipts
Standard rate of 23% applies to	51	72
Reduced rate of 13.5% applies to	25	21
Reduced rate of 9% applies to	13	7
Zero rate applies to	11	0

## Revenue Ready Reckoner

### Increases and Decreases to VAT Rates

		€ Million	CPI
		Full Year	Effect*
9% Reduced Rate	1% Increase / Decrease	+/- 109	+/- 0.11
13.5% Reduced Rate	1% Increase / Decrease	+/- 200	+/- 0.07
23% Standard Rate	1% Increase / Decrease	+/- 411	+/- 0.34
Zero Rate Increased	0% to 5%	452	
	0% to 9%	814	
	0% to 13.5%	1,222	
	0% to 23%	2,081	
Restructuring the VAT system on a target revenue-neutral basis			
Zero, 9%, 13.5% & 23% rates merged to a <b>16.196%</b> rate		0	
9%, 13.5% & 23% rates merged to a <b>18.231%</b> rate		0	

\*Percentage effect on consumer price index (CPI).

## Revenue Ready Reckoner

### Increases in VAT Registration Thresholds

		€ Million Full Year
Change in Services Threshold	€37,500 to €50,000	40
	€37,500 to €75,000	156
	€37,500 to €87,500	231
	€37,500 to €100,000	318
	€37,500 to €125,000	526
Change in Goods Threshold	€75,000 to €100,000	66
	€75,000 to €150,000	256
	€75,000 to €175,000	379
	€75,000 to €200,000	521
	€75,000 to €250,000	861