



# Upper Third

Chartered Accountants

13A Wallace House, Maritana Gate, Canada Street, Waterford, X91CX3W  
Telephone: 051 873 913 - E-Mail: [upperthird@gmail.com](mailto:upperthird@gmail.com)

Visit our website: [www.upperthird.ie](http://www.upperthird.ie)



BUDGET  
**25**

## BUDGET 2025 SUMMARY

These are the key tax measures in the Budget Statement by the Minister for Finance on 1 October 2024.

### Personal Taxes and Charges

#### Tax Rates and Tax Bands

Changes are in **bold**.

Personal Circumstances	2025 €	2024 €
Single or widowed or surviving civil partner, without qualifying child	<b>44,000</b> @ 20% Balance @ 40%	42,000 @ 20% Balance @ 40%
Single or widowed or surviving civil partner, qualifying for single person child carer credit	<b>48,000</b> @ 20% Balance @ 40%	46,000 @ 20% Balance @ 40%
Married or in a civil partnership, one spouse or civil partner with income	<b>53,000</b> @ 20% Balance @ 40%	51,000 @ 20% Balance @ 40%
Married or in a civil partnership, both spouses or civil partners with income	<b>53,000</b> @ 20% with increase of <b>35,000</b> max. Balance @ 40%	51,000 @ 20% with increase of 33,000 max. Balance @ 40%

#### Tax Credits

Changes are in **bold**.

Tax Credit	2025 €	2024 €
Single person	<b>2,000</b>	1,875
Married or in a civil partnership	<b>4,000</b>	3,750
Employee Tax Credit	<b>2,000</b>	1,875
Earned Income Tax Credit	<b>2,000</b>	1,875
Widowed person or surviving civil partner (without qualifying child)	<b>2,540</b>	2,415
Single person Child Carer Tax Credit	<b>1,900</b>	1,750
Incapacitated Child Credit	<b>3,800</b>	3,500
<b>Blind Tax Credit</b>		
Single person	<b>1,950</b>	1,650
Married or in a civil partnership:		
• one spouse or civil partner blind	<b>1,950</b>	1,650
• both spouses or civil partners blind	<b>3,900</b>	3,300
Dependent Relative	<b>305</b>	245
Home Carer Tax Credit	<b>1,950</b>	1,800

#### Exemption Limits

There are no changes to the Income Tax exemption limits for persons aged 65 and over.

### Universal Social Charge (USC)

Changes to USC thresholds and rates are in **bold**.

#### Standard Rates of USC

2025 €	Rate	2024 €	Rate
Income up to 12,012	0.5%	Income up to 12,012	0.5%
Income from 12,012.01 to <b>27,382.00</b>	2%	Income from 12,012.01 to 25,760.00	2%
Income from <b>27,382.01</b> to 70,044.00	<b>3%</b>	Income from 25,760.01 to 70,044.00	4%
Income above 70,044.00	8%	Income above 70,044.00	8%

#### Reduced Rates of USC

There are no changes to the Reduced Rates of USC.

#### Small Benefit Exemption

From 1 January 2025 the number of annual vouchers or benefits is increasing from the first two to the first five and the exemption limit is increasing from €1,000 to **€1,500**. The exemption will cease to apply for tax year 2030 and subsequent years.

#### Rent Tax Credit

The Rent Tax Credit is increasing to a maximum of **€1,000** per individual and **€2,000** per jointly assessed couple. This increase will apply retrospectively for 2024 and will also be available to claim for 2025.

#### Mortgage Interest Relief

The Mortgage Interest Tax Credit introduced in Budget 2024 for taxpayers who make payments in respect of a qualifying loan for a principal private residence is being extended to 2024.

The relief will be calculated on the increase in interest paid in 2024 over interest paid in 2022. The value of the credit and all qualifying criteria remain unchanged.

#### Benefit in Kind (BIK) on Employer-Provided Vehicles

The following will apply for BIK on employer-provided vehicles for 2025:

- A reduction of €10,000 will apply to the original market value (OMV), to reduce the amount of BIK payable, for all cars in Category A, B, C and D (not E) and all vans.
- The current reduction of €35,000 in OMV will continue to apply for all electric vehicles.

The lower mileage limit in the highest mileage band which applies to employer-provided cars will remain at 48,000 for 2025.

#### Electric Vehicle Home Charging Facilities

An exemption from BIK will apply from 1 January 2025, subject to certain conditions, where an employer provides a facility for the charging of an electric vehicle at the qualifying residence of a director or an employee.

#### Sea-going Naval Personnel Credit

The Sea-going Naval Personnel Tax Credit of €1,500 has been extended to 31 December 2029.



## Property

### Help to Buy (HTB)

The Help to Buy scheme has been extended to 31 December 2029.

### Pre-Letting Expenses in respect of Vacant Residential Premises

The deduction for pre-letting expenses incurred on a property that has been vacant for six months or more is extended to the end of 2027. The expenditure must be incurred within the 12-month period before the property is let as a residential premises. A cap on allowable expenses of €10,000 per property applies. The relief is subject to clawback if the property is withdrawn from the rental market within four years.

### Vacant Homes Tax (VHT)

VHT is a self-assessed tax that applies to habitable residential properties that have been occupied for less than 30 days in a 12-month chargeable period, from 1 November to 31 October of the following year. The VHT rate for chargeable periods from 1 November 2024 onwards has been increased to seven times the base LPT liability for each liable property.

### Residential Zoned Land Tax (RZLT)

A further opportunity will be provided for owners of land subject to RZLT in 2025 to seek a change in the zoning of such land. An exemption from the 2025 RZLT liability may apply on foot of such rezoning requests.

## Capital Acquisitions Tax (CAT)

### Tax-Free Thresholds

The CAT Group A, B and C tax-free thresholds are increased as follows:

Group Threshold	2025	2024
Group A	<b>€400,000</b>	€335,000
Group B	<b>€40,000</b>	€32,500
Group C	<b>€20,000</b>	€16,250

For more information on CAT thresholds, please see [www.revenue.ie/cattthresholds](http://www.revenue.ie/cattthresholds)

## Stamp Duty

### Residential Property

From 2 October, a new 6% rate of Stamp Duty on residential property applies on any balance of the consideration over €1,500,000.

Consideration	Residential Rates
Less than €1,000,000	1%
Greater than €1,000,000, less than €1,500,000	2%
Greater than €1,500,000	6%

The existing Stamp Duty rates of 1% for the first €1,000,000 of the consideration and 2% of the balance will continue to apply to binding contracts in place prior to 2 October 2024 where the instrument is executed before 1 January 2025.

### Bank Levy

The bank levy is being extended for a further year to 2025. The rate of the levy and the base year used for the calculation will remain unchanged from 2024.

### Bulk Purchases of Residential Property

From 2 October, the higher rate of Stamp Duty that applies where a person acquires 10 or more residential properties within a 12-month period increases to 15%.

The existing 10% rate will continue to apply to binding contracts in place prior to 2 October 2024 where the instrument is executed before 1 January 2025.

## Capital Gains Tax (CGT)

### Retirement Relief – Disposal within the Family

This amendment relates to the CGT liability arising in respect of:

- an individual aged 55 and over when transferring qualifying assets to a child
- the value of such assets exceeds the €10 million lifetime limit on CGT relief available in respect of such transfers and
- the transfer(s) takes place on or after 1 January 2025.

The CGT liability arising in such circumstances may be deferred by the individual making the transfer.

Where the child to whom the qualifying assets are transferred disposes of the assets within 12 years of the transfer, the CGT liability deferred will crystallise. The liability will then be assessed and charged on the child. This will be in addition to any CGT liability arising on the gain accruing to the child on their disposal of the assets. Where the child retains ownership of the qualifying assets for 12 years, the CGT liability deferred may be abated in full.

### Capital Gains Tax (CGT) Investor Relief

This measure provides CGT relief for third-party individuals who take significant minority shareholdings for at least 3 years in certified innovative start-up SME companies who are less than 7 years old. These individuals can avail of an effective reduced rate of CGT of 16%, or 18% for partnerships. The relief can be applied on a gain of up to twice the value of their initial investment and is subject to a lifetime limit of €10 million.

## Corporation Tax (CT)

### Participation Exemption

A Corporation Tax exemption is being introduced for 2025 for certain foreign dividend income. Full details will be set out in the Finance Bill.

### Stock Exchange Listing Expenditure

A Corporation Tax deduction is being introduced for 2025 for expenditure incurred wholly and exclusively for the purpose of admitting to trading the shares of a company on a stock exchange in the European Economic Area (EEA). Relief will apply to first-time listings only. The maximum amount of expenditure that will be deductible is €1 million.



### Section 481 Film Relief

An enhanced rate is being introduced to the Film Tax Credit for feature films with a maximum qualifying expenditure of €20m. For films that qualify for the enhanced rate the credit will be calculated at 40%. The measure is subject to State aid approval.

### Tax Credit for Unscripted Production

A Corporation Tax Credit is being introduced for certain expenditure on unscripted programmes. As with similar reliefs, this credit will be subject to a cultural test and will be calculated at a rate of 20% for an unscripted programme up to a maximum project expenditure of €15m. This measure is subject to State aid approval.

### Research & Development (R&D) Tax Credit

The amount of the R&D corporation tax credit payable in year one will increase from €50,000 to €75,000.

### Section 486C Relief for certain Start-up Companies

From 2025, in addition to calculation of tax relief for start-up companies by reference to the amount of employer's Pay Related Social Insurance (PRSI), relief will also be calculated by reference to the amount of Class S PRSI paid by a director of the company. This is subject to a maximum €5,000 employer's PRSI per employee, €1,000 Class S PRSI per company director and €40,000 overall.

### Accelerated capital allowances for gas vehicles and refuelling equipment

The accelerated capital allowances scheme for gas vehicles and refuelling equipment is being extended for a year until 31 December 2025.

### Emissions-based limits on capital allowances and expenses for certain road vehicles

The amount of expenditure that can qualify for tax relief for certain categories of commercial vehicles is being reduced.

This provision will apply from 1 January 2027.

## Farming

### Acceleration of Wear and Tear Allowances for Farm Safety Equipment

The list of items qualifying for accelerated allowances has been expanded.

### Stock Reliefs

The following stock reliefs are being extended for a further three years to 31 December 2027:

- General stock relief for farmers of 25%
- 50% stock relief for members of Registered Farm Partnerships and
- 100% stock relief for certain Young Trained Farmers.

### Relief on Leases of Farmland

Relief for leases of farmland is to be revised so that it can be claimed by a company as well as an individual, subject to certain conditions being met.

### Young Trained Farmer (YTF) Relief

Where YTF relief is claimed, the young trained farmer is required to spend at least 50% of his or her normal working time farming the land for 5 years. The relief is to be revised so that this condition can be satisfied where the young trained farmer farms the land via a company, subject to certain conditions being met.

### Capital Acquisitions Tax (CAT) Agricultural Relief

CAT Agricultural Relief has been amended to provide that for the 6-year period prior to the date of the gift or inheritance, the agricultural property must have been owned by the disponer (the person who provided the gift or inheritance) and used for the purposes of farming by the disponer or a person to whom the property was leased.

### Flat-Rate Addition for Farmers

The flat-rate addition for farmers will be increased from 4.8% to 5.1%, with effect from 1 January 2025.

## Value Added Tax (VAT)

### Gas and Electricity Supplies

The application of the second reduced VAT rate of 9% to gas and electricity supplies is extended for six months until 30 April 2025.

### VAT Registration Thresholds

With effect from 1 January 2025, the turnover thresholds beyond which suppliers are obliged to register for VAT will rise:

- For a supplier of goods, the new threshold will be **€85,000**, up from €80,000 and
- For a supplier of services (or mixed supplies), the new threshold will be **€42,500**, up from €40,000.

Suppliers whose turnover is below the threshold amount may opt to register for VAT.

### Supply and Installation of Heat Pumps

With effect from 1 January 2025, the second reduced VAT rate of 9% will apply to the supply and installation of low emissions heating systems.

## Excise

### Tobacco Products Tax (TPT)

TPT rates are increased with effect from 2 October 2025. The increase amounts to **€1.00**, inclusive of VAT, on a packet of 20 cigarettes, with pro rata increases on other tobacco products.

### E-Liquids Products Tax (EPT)

A tax on e-liquid products is to be introduced subject to a commencement order.

This tax will be charged on the supply of e-liquid products made in the State and will apply at a rate of **€0.50c** per millilitre.



### Mineral Oil Tax (MOT)

The carbon component of MOT will increase from 9 October 2024, resulting in overall MOT rates of:

- €688.78 per 1,000 litres on petrol and aviation gasoline and
- €595.68 per 1,000 litres on auto-diesel and heavy oil used for air and private pleasure navigation.

Increases to the carbon component and overall MOT rates on other fuels will take effect on 1 May 2025.

### Natural Gas Carbon Tax (NGCT)

The NGCT rate will increase to **€11.48** per megawatt hour (at gross calorific value) from 1 May 2025.

### Solid Fuel Carbon Tax (SFCT)

SFCT rates will increase from 1 May 2025 to:

- **€167.24** per tonne on coal
- **€116.43** per tonne on peat briquettes
- **€57.70** per tonne on milled peat and
- **€86.54** per tonne on other peat.

### Alcohol Products Excise Duty Relief for Small Producers of Cider and Perry (and other fermented beverages)

The relief scheme for cider and perry produced by qualifying independent small producers is being extended to cider and perry exceeding 8.5% vol. It currently applies only to cider and perry exceeding 2.8% vol. but not exceeding 8.5% vol.

This scheme is being expanded to include other fermented beverages (other than cider and perry). Relief will apply to these beverages when produced along with cider and perry up to a combined total of 10,000 hectolitres per annum of cider and perry and other fermented beverages (other than cider and perry). Relief will be granted up to a combined total of 8,000 hectolitres per annum.

This relief reduces the standard rate of Alcohol Products Tax (APT) by 50%.

## Vehicle Registration Tax (VRT)

### Commercial Electric Vehicles

From 1 January 2025, the weight ratio for commercial electric vehicles will change from 130% to 125% in order to qualify for the €200 VRT rate.

### Rates of VRT for Category B Vehicles

From 1 July 2025, category B vehicles (small commercial vehicles) will be charged VRT based on the CO2 emissions of the vehicle. VRT will be calculated in reference to the following table:

CO2 emissions (CO2 g/k)	Percentage payable of the value of the vehicle
0g/km to 120g/km	8%
Greater than 120g/km	13.3%

## Other Thresholds, Reliefs and Allowances

### Relief for Investment in Corporate Trades

The Employment Investment Incentive (EII), Start-up Relief for Entrepreneurs (SURE) and the Start-up Capital Incentive (SCI) reliefs are being extended to 31 December 2026.

Other changes include:

- increasing the maximum amount on which an investor may claim relief from €500,000 to €1,000,000 annually and
- increasing the investment amount on which an investor can claim SURE to €140,000 annually

Further changes will be included in the Finance Bill.

### Legal Disclaimer

This summary is intended to describe the subject in general terms. As such, it does not attempt to cover every issue which may arise in relation to the subject. It does not purport to be a legal interpretation of the statutory provisions and, consequently, responsibility cannot be accepted for any liability incurred or loss suffered as a result of relying on any matter published herein.

